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Attorneys for Plaintiff and
Cross-Defendant CHURCH OF SCIENTOLOGY
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; Does 1 through 100, inclusive, Defendants.	CONSOLIDATED CASE NO. 157680 EVIDENCE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT DATE: December 23, 1994 TIME: 9:00 a.m. CALENDAR: Law & Motion DEPT: 1
GERALD ARMSTRONG, Cross-Complainant, vs. CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Corporation; DAVID MISCAVIGE; DOES 1 to 100; Cross-Defendant. AND RELATED CONSOLIDATED ACTION	DISC CUT-OFF: MTN CUT-OFF: TRIAL DATE: May 18, 1995

INDEX TO EXHIBITS

Exhibit 1: Declaration of Laurie Bartilson in Support of Plaintiff's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Plaintiff's Second Amended Complaint and Exhibits Thereto

Exhibit 1(A): Excerpts from Volumes 1-5 of the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;

Exhibit 1(A)(8): Exhibit 8 to the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;

Exhibit 1(A)(11): Exhibit 11 to the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;

Exhibit (1)B: Mutual Release and Settlement Agreement between the Church of Scientology International and Gerald Armstrong, circa December 6, 1986.

Exhibit (1)C: Declaration of Larry Heller dated March 2, 1992 and Exhibits A and B thereto, filed in Church of Scientology International v. Gerald

Armstrong, et al., Marin County Superior Court Case No. 152229;

Exhibit (1)D: Declaration of Graham Berry, dated March 16, 1992 and Exhibit M thereto, filed in Church of Scientology International v. Gerald Armstrong, et al., Marin County Superior Court Case No. 152229;

Exhibit (1)E: Article from the Marin Independent Journal, Wednesday, November 11, 1992, "Is money the root of problems?";

Exhibit (1)F: Appellants' Opening Brief dated January 19, 1993 in Church of Scientology International v. Gerald Armstrong, Court of Appeal, Second Appellate District No. B 069450.

Exhibit (1)G: Excerpt from reporter's transcript of August 6, 1991 in Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035.

Exhibit (1)H: Declaration of Joseph A. Yanny dated July 31, 1991 and filed in Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035.

Exhibit (1)I: Declaration of Vicki J. Aznaran, dated May 19, 1994;

Exhibit (1)J: Armstrong's Responses to CSI's Requests for Admission, dated July 21, 1994 in Church of Scientology International v. Gerald Armstrong, Los Angeles Superior Court No. BC

052 395.

Exhibit (1)K: Declaration of Gerald Armstrong in Opposition to Motion to Exclude Expert Testimony, dated August 26, 1991 and filed in Vicki J. Aznaran and Richard Aznaran v. Church of Scientology of California, et al., U.S. District Court, Central District of California Case No. CV-88-1786-JMI(Ex).

Exhibit (1)L: Transcript from CNN Headline News for March 20, 1992.

PROOF OF SERVICE

I declare that I am employed in the City and County of San Francisco, California.

I am over the age of eighteen years and not a party to the within entitled action. My business address is 235 Montgomery Street, Suite 450, San Francisco, California.

I am readily familiar with Wilson, Ryan & Campilongo's practice for collection and processing of correspondence by hand delivery and by mailing with the United States Postal Service.

On November 16, 1994, I served the attached **EVIDENCE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT; DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO; NOTICE OF LODGING EXHIBIT A TO THE DECLARATION OF LAWRENCE E. HELLER, EXHIBIT 1C TO PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO; PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT; PLAINTIFF'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT; SEPARATE STATEMENT OF UNDISPUTED FACTS IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO; AND**

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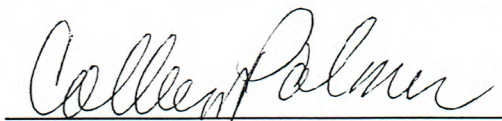
REQUEST FOR JUDICIAL NOTICE OF DOCUMENTS IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO on the following in said cause, by placing for deposit with Lightning Express Messenger Service on this day in the ordinary course of business, true copies thereof enclosed in a sealed envelope. The envelope was addressed as follows:

Ford Greene, Esq.
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94979

On November 16, 1994 the attached was also served on the following in said cause, by placing for deposit with the United States Postal Service on this day in the ordinary course of business, true copies thereof enclosed in a sealed envelope. The envelope was addressed as follows:

Michael Walton
700 Larkspur Landing Circle, Ste. 120
Larkspur, California 94939

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at San Francisco, California on November 16, 1994.



COLLEEN Y. PALMER

SCI02-013
PROOF.MAL

EXHIBIT 1

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Cross-Defendant CHURCH OF SCIENTOLOGY
INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; Does 1 through 100, inclusive, Defendants.	CONSOLIDATED CASE NO. 157 680 DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO DATE: December 23, 1994 TIME: 9:00 a.m. CALENDAR: Law & Motion DEPT: 1
GERALD ARMSTRONG, Cross-Complainant, vs. CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Corporation; DAVID MISCAVIGE; DOES 1 to 100; Cross-Defendant.	DISC CUT-OFF: MTN CUT-OFF: TRIAL DATE: May 18, 1995
AND RELATED CONSOLIDATED ACTION	

LAURIE J. BARTILSON deposes and says:

1. My name is Laurie J. Bartilson and I am one of the attorneys responsible for the representations of the plaintiff in this action. I have personal knowledge of the facts set forth in this Declaration and could competently testify thereto if called as a witness.

2. Attached hereto and incorporated herein are true and correct copies of documents submitted as exhibits in support of Plaintiff's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Plaintiff's Second Amended Complaint and Exhibits thereto.

Exhibit A: Excerpts from Volumes 1-5 of the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;

Exhibit B: Mutual Release and Settlement Agreement between the Church of Scientology International and Gerald Armstrong, circa December 6, 1986.

Exhibit C: Declaration of Larry Heller dated March 2, 1992 and Exhibits A and B thereto, filed in Church of Scientology International v. Gerald Armstrong, et al., Marin County Superior Court Case No. 152229;

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and Richard Aznaran v. Church of Scientology of California, et al., U.S. District Court, Central District of California Case No. CV-88-1786-JMI(Ex).

Exhibit L: Transcript from CNN Headline News for March 20, 1992.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 12th day of October, 1994, at Los Angeles, California.

Laurie J. Bartilson

IN AND FOR THE SUPERIOR COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

--ooo--

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

CERTIFIED COPY

Case No. BC 052395

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

Q. And do you remember the first time that you learned that there might be a possibility of settling that litigation, and by that litigation, I mean the litigation that was eventually settled with the settlement agreement?

A. Perhaps 1983.

Q. And the settlement agreement was signed in late '86?

A. Right.

Q. So for some period of some approximately three years you believe there might be a possibility of settlement?

A. Right.

Q. Did you engage in any settlement discussions between the time you first learned of it in 1983 and the time you signed the settlement agreement in 1986?

A. What do you mean by settlement discussions?

Q. Any discussions with anybody concerning settlement of the litigation?

MR. GREENE: To the extent that your response, Mr. Armstrong, to this will require you to disclose any communications that you had with --

MR. WILSON: It's a yes or no question.

MR. GREENE: -- attorneys, I'm just going

to catch it ahead of the game, my instruction to you is not to answer on the basis of the attorney-client privilege and possibly the attorney work product privilege.

MR. WILSON: Well, my question was a yes or no question.

MR. GREENE: That's fine, but just keep that in mind, please.

THE WITNESS: What's your question?

MR. WILSON: Why don't you read it back.

MR. GREENE: The question is did you have settlement discussions with anybody?

THE WITNESS: Yes.

MR. WILSON: Q. And without disclosing the substance of those, well, let me ask you just this, I take it some of those discussions were with your attorney?

A. Right.

Q. And that attorney was Michael Flynn; right?

A. Right.

Q. Did you have any discussions with any other attorney representing you besides Michael Flynn?

A. Julia Dragojevich.

Q. Any other attorney, can you give me the names of any other attorneys you discussed it with

those settlement agreements; is that correct?

A. I don't have a recollection right now of seeing any.

Q. Do you have a recollection right now of seeing any of them at any time except for the Franks one?

MR. GREENE: Same instruction for the same reasons.

THE WITNESS: Yes, I don't believe so.

MR. WILSON: Q. Prior to your leaving Boston for Los Angeles, had you discussed the terms of your settlement with Mr. Flynn?

MR. GREENE: Attorney-client privilege. Don't answer that.

MR. WILSON: Q. It wasn't -- all right. Never mind.

MR. GREENE: Terms, substance.

MR. WILSON: Q. Except for discussions which you may or may not have had with Mr. Flynn, did you, prior to the settlement agreement being signed, discuss those terms with anyone else?

A. Another lawyer who represented me.

Q. And that was Julia, whatever her last name was that you gave us?

A. No.

Q. Who was that?

A. Michael Walton.

Q. Are there any other lawyers that you discussed the settlement agreement with?

A. No.

Q. Michael Walton, Julia Dragojevich and Mr. Flynn; is that accurate?

A. What is accurate?

Q. That you had discussions about settlement with?

A. I don't believe that I had a settlement or a discussion about the terms of the settlement agreement with Julia Dragojevich. No, I did at a time, I did.

Q. And this was before the settlement agreement was signed?

A. With Julia, I believe it was after.

Q. Now, were you aware of the general terms of the settlement prior to the time you flew to Los Angeles?

A. No.

Q. And I take it, then, that you just became aware of those terms when you, in fact, got to Los Angeles?

A. I had not seen one word until I got to L.A.

Q. I understand that, but were you aware of

MR. WILSON: Q. I assume you said hello?

A. Yeah. And I believe that that was, really was just that, that it was a matter of greeting. There was no negotiations or discussion at that point that I recall at all.

Q. Okay.

A. I mean, I believe the documents were all done.

Q. And you do recall the videotape being turned on and your signing the documents and their being read to you and explained and so on?

A. Right.

Q. And you referred to signing the false affidavit. Can you tell me what affidavit you signed that was false?

A. There was an affidavit which was later used by the organization in a case called, I think it's Church of Spiritual Technology VUS or something. And it had to do with the signers acknowledging that the organization had discontinued it's practices of culling PC folders, and that it was, had reverted back to the, on policy, legal ways as stated by the founder L. Ron Hubbard. And among other things --

Q. Go ahead.

A. And I signed a document, and I have seen

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this JUL 09 1992 day of _____, 19____

CERTIFIED SHORTHAND REPORTER

STATE OF CALIFORNIA

MARY HILLABRAND & ASSOCIATES
CERTIFIED SHORTHAND REPORTERS
A Professional Corporation

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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

--oOo--

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation,

Plaintiff,

vs.

No. BC 052395

GERALD ARMSTRONG; DOES 1 through 25, inclusve,

Defendants.

CERTIFIED COPY

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, July 22, 1992

Volume II, Pages 179 - 293

REPORTED BY: KATHERINE NG, CSR NO. 6350

Q. Just so I understand, because I'm not as familiar as you are, can you tell me what the Azneran case is?

A. It's the case of Richard and Vicky Azneran versus a number of Scientology entities filed in U.S. District Court in L.A.

Q. What is your understanding of what Richard and Vicky Azneran are alleging in that case?

MR. GREENE: At this point, since Gerry has worked as a paralegal on this case in my office, I would request, Andy, that if you would phrase the question in terms of at the time that he signed this declaration, which was prior to the point when he worked for me; otherwise, it could constitute some kind of waiver. That way you could probably get what you want.

(Telephonic interruption.)

THE WITNESS: Okay. So my understanding certainly at that point was that the Aznerans who had been involved quite high level in the organization had sued the organization for the wasted years and the abuse of the organization. So it was those sorts of claims.

MR. WILSON: Q. Did you get that understanding from talking to the Aznerans?

A. I believe I got that understanding by that time from a number of sources.

back and forth at that time.

Q. Okay. What do you intend to do to prepare yourself for your trial testimony, if anything?

A. I will stay in touch with the lawyers. I will review my deposition transcripts. That's principally it.

Q. By staying in touch with the lawyers, do you mean to discuss what you're going to testify to?

A. I think if they have any interest, but I think I have already gone through two days of depositions, so I doubt that they're going to ask me that. But stay in touch, when do they want me, and how they want to schedule it, because it's a big case.

Q. Have you discussed with any of the lawyers any of the other testimony that is going to be given, as far as you understand it?

A. Other testimony of other people?

Q. Right.

A. I don't, I don't think I have specifically discussed that.

Q. Do you know a man named Jerry Fagelbaum?

A. Yes.

Q. Who is he?

A. He's a lawyer in Los Angeles.

Q. How did you meet Mr. Fagelbaum?

A. I met him in his office in Los Angeles on May

27, I think.

Q. Of this year or?

A. Right, this year.

Q. And what was the purpose of the meeting that you had with Mr. Fagelbaum?

A. He wanted me to authenticate an earlier declaration which I had written.

Q. Did you know he wanted you to authenticate this declaration?

A. I was in the courtroom that day, and I was handed a note from I believe Ms. Cervantes, but I'm not quite sure. But in any case, I got a little message pad note indicating that he had called for me, so I returned the call.

Q. And what courtroom were you in that day?

A. I think it was Department 88.

Q. That was Judge Sohigian's courtroom?

A. Right.

Q. And his clerk gave you a note, a message from Mr. Fagelbaum?

A. Well, I hesitate to get his clerk in trouble, but, yes.

Q. As far as you know?

A. Right.

Q. As far as you know, Mr. Fagelbaum had left a

message for you?

A. Right.

Q. Did you know who he was?

A. I had spoken to him previously, so I knew something about him.

Q. When did you speak to him previously?

A. Maybe a year before. I'm not quite sure.

Q. And what was the subject of that previous conversation?

A. I don't recall.

Q. Did it have anything to do with the Church of Scientology?

A. It may have.

Q. Did you know that Mr. Fagelbaum was a lawyer that was litigating a case against something called the Religious Technology Center?

A. Right.

Q. Tell me what your understanding of that is?

A. It's an arm of the organization.

Q. That wasn't something that you learned from Mr. Fagelbaum; is that right?

A. No.

Q. You knew that at the time?

A. Right.

Q. Do you know who Mr. Fagelbaum represents?

perhaps as an affidavit and perhaps with different headings with captions, four different cases, but at least the first one, the first original went to Michael Flynn.

Q. And this was for your litigation against the Church of Scientology is that right?

A. Well, I guess, yes.

Q. Okay.

MR. GREENE: Mr. Armstrong, don't guess.

THE WITNESS: Okay.

MR. GREENE: If you don't know, say that you don't know. Give your best estimate, but guessing is not a good idea.

THE WITNESS: It was to assist, it was to help in my battle with Scientology.

(Plaintiff's Exhibit 8 was marked.)

MR. WILSON: Q. Exhibit 8 is a pleading that is entitled too long for me to read, filed in a case in Central District Court of U.S. District Court, California.

Is that the declaration that you signed in Mr. Fagelbaum's office in the 27th of May?

A. It appears to be, yes.

Q. Is paragraph 4 where it refers to Exhibit C, which unfortunately we don't have here, is that the

declaration that you have been testifying to?

A. Ask the question again.

MR. GREENE: Mr. Armstrong, with respect to any questions that are propounded to you about the authenticity of documents which are not before you, I instruct you not to answer.

MR. WILSON: On what basis?

MR. GREENE: No foundation.

MR. WILSON: All right.

Q. Let's do it this way then. You just testified that you authenticated a declaration for Mr. Fagelbaum; is that right?

A. Right.

Q. And paragraph 4 says "Attached hereto as Exhibit 'C' is a true and correct copy of a Supplemental Affidavit signed by myself in that litigation known as Tonja Burden v. Church of Scientology California, and it goes on.

A. Okay.

Q. We don't have that attached here. But as far as you know, when you signed the original of this declaration, was there an Exhibit C attached to it?

A. I saw Exhibit C at that time, yes.

Q. And did you recognize Exhibit C?

A. Yes.

Q. What was it?

A. It was this, that document related to MCCS tape transcript.

Q. It was a declaration that you had previously given?

A. Well, it says here an affidavit, and I believe that it was an affidavit.

Just to go back so that we both, my recollection is this particular document was prepared and filed in a number of cases identical, except for its caption.

Q. And by that particular document, you're referring to the affidavit that is described in paragraph 4; is that right?

A. Right.

Q. Can you tell me in general what that affidavit says?

A. My recollection is that it contains a partial transcript of MCCS tapes.

Q. What are MCCS tapes?

A. They were tape recordings made concerning a, or mission called Mission Corporate Category Sort-Out. And they, in 1982, became part of what were known as the Armstrong documents, and then they became the subject of what is known as the Zolin litigation which involved the

U.S. Government. And they ultimately were found, I believe by the Ninth Circuit, to contain evidence of fraud which made them an exception to the attorney-client privilege, and they were released to the IRS.

Q. Now, you say that this declaration was filed in a number of different cases?

A. Right.

Q. One of them being the Burden case; right?

A. Right.

Q. Can you tell me the other cases, as far as you know, that this declaration was filed in?

A. I believe Van Schaick, McLean. I was told Toronto. Those were ones that I have some certainty about.

Q. Now, when was your affidavit filed in the Burden case, do you know?

A. I was not there specifically, but I believe 1982.

Q. Okay. And the Van Schaick case?

A. I believe also 1982.

Q. And the McLean case?

A. I believe also 1982.

Q. And Toronto?

A. I believe also 1982.

Q. And as far as you know, was it filed in any

other case between 1982 and 1992 when you signed this declaration which has been marked as Exhibit 8?

A. I'm not certain. I believe, not with certainty, but I believe it was filed in Corydon.

Q. When, as far as you know?

A. Mid to late '80s.

A. I think also, I'm not sure again, the form or the caption that it had, but in government cases I think involving the IRS.

Q. When this declaration was first prepared, did you draft it or did somebody else draft it?

A. I believe that I transcribed part of the tape, and the partial transcription was sent to Michael Flynn from which a draft of the affidavit was sent back to me. And my recollection is that I edited the draft and prepared the final copy. But it may be that my edited draft then went back to Flynn and then was redone. I say that because I would not have put the caption on it which would have identified it as going to the Burden case, but rather I prepared the substance of it, and then that was put into the declaration or affidavit which had the caption on it.

Q. And this all occurred in approximately 1982?

A. I believe so. But I have authenticated the same affidavit a number of times in other litigation

afterwards from the same document, either by authentication by another document or its new preparation and then new signature.

In fact, it just reminded me, I have a recollection of it also being used in the Wollersheim case or being authenticated for the Wollersheim lawyers.

Q. So there would be two ways that you would have either authenticated it in a form similar to Exhibit 8 or re-executed it with a different caption; is that accurate?

A. That's my recollection, yes.

Q. You would have done one of those two things in the cases that you testified to earlier; is that correct?

A. That's my recollection. As I say, it was done a number of times through the period that I was involved in the litigation.

Q. Now, prior to the time that you did it in June of '92, when was the next most recent time? Do you remember either authenticating it with an authenticating declaration or re-executing it?

A. Sometime during the time that I worked in the Flynn office.

Q. And that would have been when?

A. '85, '86.

Q. There was a period of time of somewhere between

five and six years when you did not either re-authenticate or re-execute it; is that accurate?

A. Right.

Q. Have you ever known Gary Bright?

A. Yes.

Q. Who is Gary Bright?

A. He is another lawyer who represents David Mayo.

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Q. In the RTC versus Scott case?

A. I believe so.

Q. And when did you meet Mr. Bright?

A. I think that the first time I met him was May 27.

Q. Of '92?

A. Right.

Q. Would that be in connection with executing this affidavit that we just discussed?

A. Yes.

Q. Have you met him any other times?

A. I have no recollection of meeting him.

Q. When you met with him, was Mr. Fagelbaum there?

A. Yes.

Q. How long did the meeting take?

A. A few minutes.

Q. Can you tell me what was discussed? Did they tell you anything about the case?

A. I asked them because I had heard about it, and I had not seen a copy of it, if I could have a copy or if they had a copy of the Kolts ruling in that case, and they did at that time give me the Kolts ruling.

They had another document, and I don't recall what it is right now, but I believe Exhibit B, which they asked me to authenticate. But I, my recollection is that I said I was not able to authenticate it.

Q. Do you remember what it was that you were asked to authenticate?

A. No.

Q. Okay.

A. And then I looked over the, this document and, and the two documents which I was asked to authenticate and I signed this document. And then we exchanged good-bys and I left.

Q. And no other subjects were discussed at the meeting?

A. I, no, I don't think so.

Q. Have you spoken to Mr. Fagelbaum since that meeting?

A. No.

Q. Have you spoken to Mr. Bright since that meeting?

A. No.

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this JUL 28 1992 day of _____, 19____

CERTIFIED SHORTHAND REPORTER
STATE OF CALIFORNIA

MARY HILLABRAND INC.
CERTIFIED SHORTHAND REPORTERS
520 SUTTER STREET / off UNION SQUARE SAN FRANCISCO, CA 94102
PHONE 415 / 788-5350 FAX 415 / 788-0657

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

--oOo--

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1-25, inclusive,

Defendants.

No. BC 052395

DEPOSITION OF

GERALD ARMSTRONG

Volume III

October 7, 1992

REPORTED BY: LARRY BOSTOW, CSR# 5941

A. Fair.

Q. All right. Mr. Armstrong, I'm going to hand you a document that has already been marked. It's a copy of a document previously marked as Exhibit 6 to your deposition. Take a look at it, please.

A. Yes.

Q. Now, Mr. Armstrong, that's the document that is the agreement which is the subject of the dispute in this litigation: is that correct?

A. Yes.

Q. And this is an agreement which you signed on December 6th, 1986; is that correct?

MR. GREENE: That's asked and answered.

Don't answer the question.

Go ahead.

MS. BARTILSON: It hasn't been answered as to this document.

MR. GREENE: Yeah, it has. Wilson went through all this. That's the agreement. That's Armstrong's signature.

Let's proceed.

Ask him something new.

Don't answer the question.

MS. BARTILSON: Actually, he hasn't, so I'm going to make the record.

Q. Mr. Armstrong, if you look at page 3, please, of the agreement: The signature that appears partway down the page is your signature; is that correct?

A. Yes.

Q. And if you look at page 16 of the agreement, the first signature on that page, appearing about halfway down, is your signature; is that correct?

A. Yes.

Q. Looking through the agreement: Those are your initials that appear on each page of the agreement; is that correct?

A. Yes.

Q. On the bottom right-hand corner?

A. Yes.

Q. And you made those initials yourself?

A. Yes.

Q. On December 6th, 1986?

A. Yes.

Q. If you would look, please, at paragraph 1 on page 2 of the agreement.

A. Yes.

Q. You see in that paragraph, it says, "Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn."

Q. And all of the documents were returned, then, at some later time even if they weren't returned right then?

A. Right.

And just so we also understand about the use of the word "returned," because they were not returned to CSI because they never came from CSI.

Nevertheless, as long as we understand that, as far as acceptability by your organization, CSI was the designated recipient, and it was our understanding that when we were delivering documents to whomever, that that was honoring this clause of this affidavit.

Q. I understand.

Let's get the originals back to the court reporter.

Then let's mark 11.

(Whereupon Plaintiff's Exhibit 11 was marked.)

MS. BARTILSON: Q. So the court reporter has handed you an 11-page document with an Aznaran case caption, titled "Declaration of Gerald Armstrong in Opposition of Motion to Exclude Expert Testimony," and marked as Exhibit 11, and I would like you to take a look at it, please.

A. Did you ever read "Fear"?

Q. No.

Mr. Armstrong, have you had an opportunity to review the two-page declaration that is the beginning of Exhibit 11?

A. Yes.

Q. Is that a declaration that you drafted, sir?

A. Yes.

Q. Did you also --

A. Hold on a minute.

MR. GREENE: Hold it.

Any responses having to do with any communications that occurred in my office, between you and me or otherwise, I'm instructing you not to answer. You can authenticate this document, but as to its preparation, do not answer the question.

MS. BARTILSON: I can't ask him if he drafted this declaration?

MR. GREENE: You can ask him. I'm going to instruct him not to answer.

MS. BARTILSON: Let me make my record real quick here, then.

MR. GREENE: I'll just do it for you.

I will allow the witness to authenticate this document, which he's already done.

MS. BARTILSON: Actually, he hasn't.

MR. GREENE: If he hasn't, fine, have him authenticate it. Any questions about the document's preparation, I'm going to instruct him not to answer.

MS. BARTILSON: Okay.

Q. Mr. Armstrong, is that your signature on page 2 of the document?

A. Yes.

Q. And did you sign it on the 26th of August 1991, in San Anselmo, under penalty of perjury?

A. Yes.

Q. Looking at Exhibit 1 attached to the declaration, do you recall how it came into your possession?

MR. GREENE: Again, Mr. Armstrong, if, in your response to the question, you would disclose any communications or transactions which transpired between you and me or within the activities in my office, I would instruct you not to answer the question. If, on the other hand, your response would not include a disclosure of such information, you may.

THE WITNESS: Then I would not answer.

MS. BARTILSON: Q. Same question as to Exhibit 2.

MR. GREENE: And same admonition and instructions.

THE WITNESS: This one, I believe, I can answer differently.

MS. BARTILSON: Q. And what's your answer?

A. This document was in a Scientology book, and it -- I had a copy made, and it was originally filed in the Armstrong I case as an exhibit to a document. Then it was filed in the Court of Appeal as an exhibit, and it is my belief that the number "382" indicates that it comes from the document which was filed in the Court of Appeal.

MR. GREENE: Just so the record is clear: We're making a reference to a document entitled "Technical Bulletin of 22 July 1956" from the Hubbard Communications Office.

MS. BARTILSON: Yes. Which was marked as Exhibit 2. That's how we identified it.

Q. Mr. Armstrong, you say this was attached as an exhibit to something that was filed with the Court of Appeal.

Do you recall who filed it with the Court of Appeal?

A. I did.

Q. And when you filed it with the Court of Appeal, it was something that you yourself had copied from a book, is that correct? Or that you had copied

from an exhibit that was part of the Armstrong I trial record?

A. That's correct, the latter.

Q. Okay. I just want to make sure I have the transition correct.

A. It had been an exhibit in one of the depositions taken in the Corydon case, and it was provided to me at that time.

Q. And this was your deposition in the Corydon case?

A. Correct.

Q. And who gave it to you at that time?

A. I do not recall if it came into my possession at exactly that time or if it later came into my possession as an exhibit to the deposition transcript. But in any case, it ended up with that set of materials.

Q. So you obtained a copy of the deposition transcript from the Corydon case?

A. Correct.

Q. And this was an exhibit?

A. Correct.

Q. I see.

Prior to that, had you had possession of this document?

A. No. Although -- Let me correct that.

In that it is a public document and is published by your organization, it was available in its raw, original form, but the photocopy of that document, I only obtained at that time.

Q. But did you have the other form of the document within the book, or whatever, prior to that?

A. No. I didn't have a book.

Q. Mr. Armstrong, do you know if Exhibit 11 was filed in the Aznaran case?

A. It is my belief that it was.

Q. Did you participate in any activity to ensure that it would be filed in that case?

MR. GREENE: Again, any conduct of yours, Mr. Armstrong, which occurred during the course, scope, of your employment by me, I am instructing you not to disclose. If you can answer the question without disclosing any of the procedures which took place in my office, then that's fine.

THE WITNESS: Then I think you should read the question.

MS. BARTILSON: Q. Did you take any steps to ensure that this declaration would be filed in the Aznaran case?

MR. GREENE: Same admonition.

MS. BARTILSON: Q. It's a "Yes"-or-"No"

A. Do I think?

Q. Yes.

A. They may.

Q. Is there anyone else who may have knowledge of to whom it was sent?

A. Cable News Network and the Chronicle.

Q. Obviously, the recipient, but anyone else engaged in the sending or who would know about the sending besides the recipients?

A. I don't believe so.

Q. What about the San Francisco Examiner? Do you know if it was sent to the San Francisco Examiner?

A. I don't know.

Q. Do you know if it was sent to the Marin County Independent Journal?

A. What was your question?

Q. Do you know if it was sent to the Marin County Independent Journal?

A. I don't know.

Q. At the time that this press release was sent out, Mr. Greene was your attorney in this case; is that correct?

A. Yes.

Q. Earlier this year, Mr. Armstrong, you gave interviews to media representatives, did you not?

A. Yes.

Q. Do you recall approximately how many such interviews you've given in 1992?

A. I believe there has only been one interview which I would consider an interview, and that was with CNN.

Q. And were there other times when you spoke to reporters, or other media representatives, that you did not consider an interview?

A. Yes.

Q. Approximately how many of those?

A. I must retract that.

I consider that Bill Horne of the American Lawyer interviewed me.

And then additional contacts of any kind with the media, perhaps ten.

Q. All right. Let's look first at the interview with CNN.

Do you recall the date of that interview?

A. My recollection is March 20th, 1992.

Q. Do you recall if it was before or after the hearing held before Judge Dufficy in Marin County Superior Court on the motion for preliminary injunction?

A. Yes.

Q. Which was it, before or after?

A. After.

Q. The same day or the next day?

A. Same day.

Q. And where did this interview take place?

A. In Mr. Greene's office.

Q. Do you recall the name of the reporter?

A. Yes.

Q. And who was that?

A. Don Knapp, N-a-p-p (sic).

MR. GREENE: K-n --

THE WITNESS: K-n-a-p-p.

Thank you.

MS. BARTILSON: Q. And for approximately how long were you interviewed by Mr. Knapp?

A. Perhaps five minutes. Less.

Q. And was your lawyer also interviewed by Mr. Knapp?

A. Yes.

Q. Do you recall any of the substance of what you communicated to Mr. Knapp during the interview?

A. Yes.

Q. What was that?

A. It related to Scientology's practice of fair game and my knowledge of organizational and Hubbardian fraud.

Q. Knowledge which you had gained because of your years of experience with the organization, as you term it?

A. Correct.

Q. Was the interview videotaped?

A. Yes.

Q. Was the entirety of the interview videotaped, or were there times that you also spoke with Mr. Knapp that were not videotaped?

A. If, by that, you mean when, for example, I may have helped him out with his camera gear, opened the door for him and said "Good-by," or helped him move things around and exchanged comments of that nature, then, no. I think that's how to answer it.

MS. BARTILSON: Could you read back the question and the answer, because I'm not sure --

MR. GREENE: He said that there was no substance aside from courtesies that -- there was nothing -- nothing was videotaped except --

Go ahead. Read it back.

MS. BARTILSON: I'm not sure that was the answer to the question. I just want to see what we've got.

Okay.

(Whereupon the record was read.)

MS. BARTILSON: Okay. Thanks.

Q. The only substantive conversations you had with Mr. Knapp, concerning the matters that you've testified to as to what the interviews were, were on videotape; is that correct?

That was an unclear question.

A. The only substantive conversations which concerned that subject that I just spoke about were on videotape, yes.

Q. Were you present when your attorney was interviewed by Mr. Knapp?

A. Yes.

Q. Do you recall what it is that your attorney spoke about?

A. I recall him speaking about constitutional issues.

Q. Do you recall what constitutional issues?

A. Freedom of speech.

Q. Did Mr. Greene speak about freedom of speech in the abstract, or did he relate it to any particular factual circumstance?

A. I believe he related it to the concept of the organization's attempt, through the settlement agreement, to stifle freedom of speech and stifle the public's right to the knowledge of the organization's

was aired by CNN.

MS. BARTILSON: Q. So you asked Mr. Knapp how you could go about doing that?

A. That's the gist of the conversation.

Q. Do you recall his reply?

A. Not specifically.

Q. Did you discuss anything else with Mr. Knapp besides the obtaining of the videotape of that segment?

A. It may have been that we discussed running briefly.

Q. Did you ever have any other occasion to speak with Mr. Knapp besides the two that you've now described?

A. No.

Q. Do you know who arranged for Mr. Knapp to come to Mr. Greene's office on March 20th?

A. No.

Q. Were you working in Mr. Greene's office on March 20th, 1992?

A. Yes.

Q. When were you interviewed by Bill Horne?

A. I believe in the spring, this year.

Q. Do you recall what month?

A. Not right now.

Q. Do you recall if it was before or after the

A. That they must fully and honestly repudiate fair game and associated, related antisocial policies and they must settle openly and fairly.

Q. Anything else?

A. No.

Q. Do you recall anything that Mr. Greene said to Mr. Horne during the time that you were present while Mr. Greene was being interviewed by Mr. Horne?

A. No.

Q. Do you recall any of the subjects that he discussed?

A. I have a recollection of the settlement agreements being discussed.

Q. Do you recall what Mr. Greene said about the settlement agreements?

A. No.

Q. Any other subject that you can recall Mr. Greene discussing with Mr. Horne?

A. No.

Q. Have you spoken with Mr. Horne since your interview?

A. Yes.

Q. When was that?

A. Perhaps in July.

Q. '92?

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this _____ day of OCT 23 1992, 19____

CERTIFIED SHORTHAND REPORTER

STATE OF CALIFORNIA

EXHIBIT 8

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2029 Century Park East, Suite 3270
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Attorneys for Defendants and Counter-Claimants
DAVID MAYO, CHURCH OF NEW CIVILIZATION, and Defendants
JOHN NELSON, HARVEY HABER, VIVIEN ZEGEL AND DEDE REISDORF



UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

RELIGIOUS TECHNOLOGY CENTER, a California corporation, et al., Plaintiffs, vs. ROBIN SCOTT, an individual, et al. Defendants.	CV 85-711 JMI (Bx) CV 85-7197 JMI (Bx) **SUPPORTING DECLARATION OF GERRY ARMSTRONG TO DEFENDANTS' AND COUNTER-CLAIMANTS' OPPOSITION TO PLAINTIFFS' AND COUNTER-DEFENDANTS' MOTION FOR PROTECTIVE ORDER RE FIFTH REQUEST FOR PRODUCTION OF DOCUMENTS OR THINGS AND FOR SANCTIONS**
RELIGIOUS TECHNOLOGY CENTER, a California corporation, et al., Plaintiffs, vs. LARRY WOLLERSHEIM, an individual, et al., Defendants.	
AND RELATED COUNTER-CLAIMS	**DATE: June 10, 1992** **TIME: 5:00 P.M.** **CTRM: Hon. James G. Kolts Special Master, Pasadena, Hilton**

DECLARATION OF GERRY ARMSTRONG

I, Gerry Armstrong, declare:

1. I am a party to that litigation known as Church of Scientology of California v. Gerald Armstrong, L.A.S.C. Case No. 420153 (hereinafter the "Armstrong" litigation).

2. I am familiar with the pleadings and records in the Armstrong litigation and submit this Declaration based upon my own personal knowledge of the matters contained herein, and if called as a witness, could and would competently testify thereto.

3. Exhibit "A" hereto are true and correct copies of Reporter's Transcripts of Proceedings held in the Armstrong litigation before the Honorable Paul G. Breckenridge, Jr.

4. Attached hereto as Exhibit "C" is a true and correct copy of a Supplemental Affidavit filed by myself in that litigation known as Tonja Burden v. Church of Scientology California, United States District Court, Middle District of Florida, Case No. 80-501-CIV-T-K.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Declaration is made and executed this 27th day of May, 1992 at Los Angeles, California.

GERRY ARMSTRONG

HUB LAW OFFICES
Ford Greene, Esquire
California Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Plaintiffs
VICKI J. AZNARAN and
RICHARD N. AZNARAN

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VICKI J. AZNARAN and RICHARD N. AZNARAN, Plaintiffs, vs. CHURCH OF SCIENTOLOGY OF CALIFORNIA, et al., Defendants. AND RELATED COUNTER CLAIM	No. CV-88-1786-JMI(Ex) DECLARATION OF GERALD ARMSTRONG IN OPPOSITION TO MOTION TO EXCLUDE EXPERT TESTIMONY

PLAINTIFF'S EXHIBIT
Armstrong 10-7-92
11

HUB LAW OFFICES
FORD GREENE, ESQUIRE
711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960-1949
(415) 258-0360

I, GERALD ARMSTRONG, declare:

1. I was a Scientologist from 1969 to 1981 and held many organizational positions during that period. I was also the defendant in an action entitled Church of Scientology vs. Armstrong, in Los Angeles Superior Court. Judge Breckenridge's opinion in that case was affirmed by the California Court of Appeal on July 29, 1991.

2. Throughout 1980 and 1981 I was L. Ron Hubbard's biographical researcher and archivist. During that period I read

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and studied his letter dated September 7, 1955 to the Federal Bureau of Investigation and I provided a copy of it to writer, Omar V. Garrison for his use in a biography of Hubbard. A true and correct copy thereof is attached hereto as Exhibit 1.

3. While I was a Scientologist I read and studied L. Ron Hubbard's Technical Bulletin of July 22, 1956. It was published in the 1970's in bound volumes of Hubbard's "technical" writings and has continued to be published in later volumes up to the present time. A true and correct copy is attached hereto as Exhibit 2.

Under penalty of perjury, pursuant to the laws of the United States I hereby declare that the foregoing is true and correct. Executed this 26th day of August, 1991, at San Anselmo, California.

GERALD ARMSTRONG

711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CA 94960-1949
(415) 258-0360

00 73

EXHIBIT 1

RON HUBBARD. D.J. PH.

(51)

Box 242
Silver Spring, Md.
Sept. 7, 1955

TO THE FEDERAL BUREAU OF INVESTIGATION
Communist Activities

Gentlemen:

A series of sudden insanities and disturbances in Dianetic and Scientology groups reached seven last week on the West Coast.

In Atomic Energy's Richland, Washington a young boy who had never been treated with Dianetics or Scientology but whose father Verne McAdams is the local Scientology group leader in Richland suddenly and mysteriously became insane, so suddenly and so thoroughly that the head of the institution for insane in Richland, evidently of good security, suspects the use of LSD, the insanity producing drug so favored by the APA. Two of our ministers in that area at my request went further into the situation and by means we will not detail recovered from the boy information of which his family had been entirely ignorant. On instructions to find the "other psychiatrist" our ministers by this means located an unsuspected one in Atomic Energy's front yard, a man who had been the construction company doctor during the building of Richland and who had then turned psychiatrist and whose name strangely enough is Menkowski (sp?). The boy had evidently had some association with this man before this sudden onset.

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With this information not yet cool long distance from San Francisco Bay Area notified us of the sudden and inexplicable descent into insanity of one Wanda Collins. She is ravingly insane and yet was completely sane a day ago. Her people and our people cannot account for a missing nine hour period just before this onset. You should be interested in this because Wanda Collins resigned from the Communist Party some time ago, foreswore it and tried to make amends with Scientology and would be a logical candidate for an LSD attack.

SEE REVERSE SIDE FOR ADD. DISSEMINATION

Concurrently with this in Phoenix, Arizona

20 SEP 1955

58 SEP 20 1955

A-29

(51)

our Mr. Edd Clark was suddenly arrested"for practising medicine without a license", and this is very odd because he is the first Dianeticist or Scientologist in five years of world wide operation to be so accused. He could not have been practising medicine because Dianetics and Scientology seek only to assist able people to improve their talents and have no interest in sickness or insanity. He was arrested and without any search warrant all his papers and letters were seized even down to blank typewriter paper and were carried away, a fact which places this matter quite solidly in the field of the F.B.I.. Mr. Clark is a half-blind deaf old man. He was once a chiropractor but has long since ceased to be one. He was told by the County Attorney that the County Attorney meant to "get to the bottom of this thing about Hubbard and Scientology."

The "bottom of the thing" can be found in "Who Knows and What" and "Who's Who in the East" in the local library or from bookstores which carry my books. My own life is about as hard to investigate as a white rock on a summer's day.

It is not uncommon in the past five years to have judges and attorneys mad-dogged at about what a terrible person I am and how foul is Scientology. Persons never named or available step in, spread violent tales and accusations and vanish. This mad-dogging has evidently been done at this County Attorney to prompt such a foolish action. This makes the third civil official in that area to go off half-cocked about Scientology. When it is all done and Scientology has been neatly ruined by the newspapers in the area and when all the charges have been quashed there is no one from whom any recompense can be drawn. "It was all a mistake"...

In 1950 the Dianetics Foundations were violently attacked and discredited. The 200 Foundation employees, when screened, yielded 35 Communist-connected persons. That done the commotion stopped. After three quiet years in the Phoenix area we forwarded to the Defense Department data on brain-washing. Instantly

(13)

(51)

we became the subject of violence. Four people were seized by psychiatrists in that area to date and to this day so far as I know are still being held, their sanity shattered.

After we so informed the Defense Department about brain-washing technologies in our hands and offered them, we have been in a state of siege. Understand that we accuse the D.D. of nothing.

Psychiatrists as far north as Seattle have said they were "out to get every Scientologist." An Internal Revenue official has used those very words before witnesses and said he was going to get to the bottom of this thing in Phoenix. People in suspicious condition were sent from one place in Southern California to be "treated by Scientology" for insanity and yet we have no interest in treating anyone, especially the insane. Now two more people go suddenly and inexplicably insane in widely different places both the same way. All manner of defamatory rumors have been scattered around about me, questioning even my sanity which is fortunately a matter of good record with the Navy as by statement "having no psychotic or neurotic symptoms whatsoever."

I have a wife and three little kids. I have a good many thousand people scattered around the world trying to help their fellow man and I am responsible for these people. I am trying to turn out some monographs on matters in my field of nuclear physics and psychology for submission to the government on the subject of alleviating some of the distress of radiation burns, a project I came east to complete. This lawless and brutal attack on Scientology now spreading evidently to three states will probably not end until a great deal of injustice and human suffering has occurred.

Would you please discover for me or for yourselves the exact names and whereabouts of the persons whose statements inflamed the County Attorney in Phoenix in arresting a half-blind old man and seizing all his books and papers. If we have those names and if we trace them back we will have someplace to start on this madness

(51)

which now reaches into three sections. Can you do this for us?

I am getting additional copies of the material which was offered to the Defense Department since that agency has not acknowledged or returned anything shipped to it about brain-washing and when I have these copies I will send one to you for this is the only starting place I know about for this outbreak and the matter, while far from conclusive at least tells me that something went astray which was dangerous in the wrong hands.

Could you please have your Phoenix office obtain the names of the people who defamed us to the County Attorney? Your Bay Area and Richland offices have already been apprised of the incidents in those areas.

L. Ron Hubbard

EXHIBIT 2

HUBBARD COMMUNICATIONS OFFICE
217a Kensington High Street, London W.8

R U S H

July 22nd, 1956

To U.S. ONLY Julia Lewis, Dick Steves, L. Ron Hubbard, Jnr.

To England ONLY Association Secretary (Jack Parthouse)
Director of Processing (Ann Walker)
Director of Training (Dennis Stephens)

Staff Auditors, Instructors and Auditors close to Operations only.

TECHNICAL BULLETIN OF 22 JULY 1956

I feel the urge to communicate to you the best news since 1950.

I have whipped the problems of the whole track and memory of the past and can resolve the worst cases we have ever had. That is a huge statement *but* I have solved and can untangle in an intensive the problems of the vacuum and havingness plus memory and health and have just done so. Hence the exuberance.

Also, other auditors can solve these in a case as well. NIBS has just cracked two six-year-standing Black Fives using some of this material and Herbie Parkhouse has had considerable luck with solids.

We are now capable of solving Book One style cases to the extreme level of clear.

No wild burst of enthusiasm is here intended. I have to put the finishing touches on a lot of things and the process is still slow—25 to 75 hours. But I've now done it and seen it done to worse cases than any you've had. And that's fact!

Okay. It's not simple. It requires a minute understanding of Book One. It would take me 50 pages to explain all I've lately found about vacuums. You haven't seen the last of me or of study, but you will have seen the last of unsuccessful cases providing only that we have time and environment in which to audit them.

We can make homo novis. (AND give a grin to those who kept standing around bleating, "Where are the clears?")

We know more about life now than life does—for a fact, since *it* was reaching, we can communicate about the reactions.

The process is concerned with "making it solid" combined with effects. It isn't easy. It is wonderfully complex and delicate. But it *has* been done. And it is being done.

Our cases gained but sometimes slumped. Why? Because an electronic vacuum restimulated on the track after sessions, and robbed the case's havingness.

A vacuum isn't a hole. It's a collapsed bank. Every lifetime bank is collapsed into a vacuum.

The formula is—

1. Run pc on start-change and stop for *hours* until he is under auditor's control, in session and (often) extenorized.
2. Then run him with commands "What are you looking at?" "Good." "Make it solid."

 He will eventually hit a vacuum. (He'd hit it faster on "Recall a can't have" but it's too fast.) Here's the tangle. The vacuum is a super-cold mass or an electric shock. This "drank up" bank electronically (brainwashed him). The energy drunk turned black. Hence black cases. (Does not apply only to black cases however.)
3. Run, interspersed with solids and "objective can't have" on the room, "Tell me an effect object (that drank bank) could *not* have on you," and "Tell me an effect you could have on object." Object may be electrodes or supercold plate or even a supercold glass.

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Caution, handle one vacuum at a time. These vacuums go back for 76 Trillion years. They were the original brainwash thetans did to one another, then psychiatrists (on the whole track) did expertly (modern psychiatrists are *punks*, modern shock too feeble to do more than restimulate old vacuums).

Take the vacuum that comes up running solids, or even "Recall a can't have", whatever it is and solve it as above.

This is delicate auditing. If you restimulate a vacuum too hard, the whole track groups on it.

Read Book One. Add vacuums instead of word groupers, use above and you'll probably get through to success. Nibs did and I had given him less than you have here. Of course, he's one of the best auditors in the business, so go easy. And Herbie Parthouse is no slouch.

CAUTIONARY

This is true–

1. We have created the *permanent* stable clear.
2. In creating him we have a homo novis in the full sense, not just an Operating Thetan.
3. We now know more than life. An oddity indeed!
4. We now know more about psychiatry than psychiatrists. We can brainwash faster than the Russians (20 secs to total amnesia against three years to slightly confused loyalty).
5. We can undo whatever psychiatrists do, even the tougher grade from away back. We can therefore undo a brainwash in 25 to 75 hours.
6. We can create something better than that outlined and promised in Book One.

BUT

1. We need to know more and be more accurate than ever before about the time track and auditing. I have not given a thousandth of what I know about this.
2. We have a new game but also new responsibilities amongst men.
3. This data in the wrong hands before we are fully prepared could raise the Devil literally.
4. Because we know more than the Insanity Gang, we're not fighting them.
5. Because we can undo what we do, we must retain a fine moral sense, tougher by far than any of the past.
6. We can create better than in Book One now *only* if we know Book One and know our full subject.

AND WE DO NOT YET KNOW ALL THE SAFETY PRECAUTION TO BE USED.

I will be giving this data in full at the Games Congress, Shoreham Hotel, WASHINGTON, D.C., August 31st, to September 3rd, 1956.

The exact regimen of this will be SLP 8 and will include the total picture of separating valences from bodies (which must still be done by the auditor, a formula I now have).

I have given you this data in this bulletin at this time because now I know I know and I want you to share in seeing the surge of vision which will be our future.

L. RON HUBBARD

P.S. (Actually, contrary to rumor, it *hasn't* all been done before. If it had been, the guy who is saying it has would be clear!)

00 8

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EXHIBIT 4 PAGE 9

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

PLAINTIFF'S EXHIBIT 6 8/8/92

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission alleged done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and

settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other

similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the

settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose

concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(Tx), presently on appeal in the 9th Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated here shall be deemed to in a way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,

representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

GERALD ARMSTRONG

Witness

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:

MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986

for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, of all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;

b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;

c. Minutes, reports and summaries of meetings;

d. Contracts, agreements, understandings, commitments, proposals and other business dealings;

e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;

f. Dictated tapes or other sound recordings;

g. Computer printouts or reports and the applicable program or programs therefor;

h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

Andrew H. Wilson
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(415) 391-3900

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Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	Case No. 152229 DECLARATION OF LAWRENCE E. HELLER

I, LAWRENCE E. HELLER, hereby declare:

1. I am an attorney at law duly licensed to practice before all of the courts of the State of California and am a partner in the law firm of Turner, Gerstenfeld, Wilk & Tigerman. I have personal knowledge of the matters set forth below, and if called upon to do so, could and would competently testify thereto.

2. In 1986 I assisted various Churches of Scientology to achieve the settlement of a series of lawsuits with attorney

Michael J. Flynn and a several other attorneys around the country, who represented a number of plaintiffs and witnesses against those Churches of Scientology. Gerald Armstrong was one of these plaintiffs.

3. To finalize this settlement with Armstrong, I met with Mr. Armstrong and his attorney, Michael Flynn, in Los Angeles on December 6, 1986. I was present when Mr. Armstrong, in the presence of his attorney signed the Settlement Agreement with the Church of Scientology International. This meeting and signing was video taped.

4. Attached as Exhibit A to this Declaration is a copy of the video tape made at that meeting. I have reviewed this tape and state that it accurately depicts all of the events of that meeting.

5. Attached as Exbit B is a copy of the transcript of that video tape. I have reviewed this transcript against the video, itself, and state that it is an accurate transcription of the video.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 2nd day of March, 1992, at Los Angeles, California.

Lawrence E. Heller

Exhibit A

Exhibit B

TRANS OF GERALD ARMSTRONG V. RECORDING OF SETTLEMENT AGREEMENT SI G

Appearances: December 6, 1986

LH: Larry Heller

GA: Gerald Armstrong

MF: Michael Flynn

JR: Jo Ann Richardson (Notary)

MS: Michael Sutter (Witness)

BEGINNING OF TAPE

LH This is fine, that covers everything and um, we're alright.

MF How many you got there?

LH Well I got the two affidavits for, then I got these here which, um, we don't have to sign these on video tape - we can do it if you like...

MF It makes no difference to me.

LH It's all the same to me too...

LH OK. It's now 9:04, ah, pm on December 6 1986 and to my left is Gerald Armstrong and next to him Michael J. Flynn. Um, Mr. Armstrong, I understand Mr. Flynn is your attorney here representing you today, is that correct?

GA Right.

LH OK. Ah, Mr. Armstrong I'm going to ask you to sign three documents, ah, a mutual release of all claims and settlement agreement, and two separate affidavits. Prior to doing so however, I would like to ask you some questions with regard to those documents, um-hum, excuse me, which I would like you to answer freely and honestly if you would. Ah, first of all have you had a chance to, ah, completely and comprehensively review and read these documents?

GA Yeah.

LH OK. Have you had a chance to discuss these documents with your attorney, Mr. Flynn?

GA Yes.

LH Has Mr. Flynn explained these documents as well the legal and factual ramifications to you, legal and practical ramifications to you to your satisfaction?

GA Uh, I think so, yes.

LH OK. Well do you have any question of that whatsoever?

GA No, I have no current questions about it.

LH OK, very good. You are going to sign these of your own free will?

GA Yes.

LH OK. You are not suffering from any duress or coercion which is compelling you to sign these documents?

GA No.

LH Alright, you are not presently under the influence of alcohol or any medication, prescription or otherwise, which would impede your ability to comprehend the um, legal and factual intent of these documents?

GA No.

LH Um, you may have noticed in reviewing the settlement agreement that, ah, you are part of a what we have generically described as a universal settlement, ah, what I mean by that is and you probably know that independently as well, as you're smiling. What I mean by that...

GA ... no, just that, that's the same as a global settlement, right?

LH It's the same thing. Exactly.

GA Got it.

LH I said generically described so far, universal, global, all encompassing - whatever you like, but the intent of it is that, um, you are one of many claimants uh, who uh, contend that they have claims against the Church of Scientology as well as related and unrelated entities and individuals. Some of those claimants have litigation such as you do pending against the Church of Scientology, some of them don't.

Uh, as you also may or may not know, uh, one lump sum payment is being made to Mr. Flynn. Um, Mr. Flynn is then

going to be distributing from that lump sum certain sums to some or all of these claimants...

MF After I go to Rio.

LH After he goes to Rio, exactly. Neither I nor my clients know what the nature or amount that that distribution is um, and we don't want to know. Uh, what's important to us is that you realize that it's a universal/global settlement; that you realize that you are getting paid a certain amount out of that settlement, if you in fact are, and I'm making the assumption you are, but that, uh, and also that you tell me while we're now on video tape that you are happy and satisfied with the amount that Mr. Flynn has promised to pay you.

(phone rings and is answered)

GA Yes.

LH OK, now, other than any representations which Mr. Flynn has made to you in order to uh, get you to sign this uh, have any other representations been made by either myself or my clients or anything else which has compelled you to sign these documents?

Now, what I'm saying to you is there are obviously representations in the documents...

GA Correct.

LH Mr. Flynn has spoken with you - he has said you will get this and that for the, uh, whether money or other consideration for the signing of these documents...

GA Right.

LH OK, now I want to make sure that were there any other representations made to you of anything you would get in consideration for the signing of these documents.

GA Not in terms of what I would get: no.

LH OK. Along those same lines - As I said this is a universal settlement - ah, accordingly, ah, it is possible that some of the other parties may not settle for some reason, and I want you to be aware of the fact that if in fact one of those other, one or more of those other parties do not settle, this settlement falls through. You're aware of that?

GA OK.

LH OK, and you're also aware of the fact however that we are putting these in what is in effect an escrow account - these documents and this video tape - an escrow, um, sort of holding place, uh, so that all of these documents in the video tape will be destroyed if the, uh, settlement does not go through. And you're aware of all that? ...OK?

GA Um-hum.

LH OK, uh, with that then why don't we take a picture of the mutual release of all claims and settlement agreement and then I'll ask you to sign it.

...zoom to document...

LH OK, now what I'm going to ask you to do is please is to initial each of the bottom of each of these pages, I'll turn the page for you and then you'll sign it, I think in two different places if you would.

...GA initials the document...

MF Oh you've got a signature there, Lar.

LH Oh, I'm sorry...that's right...right up here.

...GA continues to initial and sign the document...

LH OK and if you'd date and sign there please.

...GA signs the document...

MF You didn't want to eat dinner with any of those people anyway.

LH No, what did I want to go out to dinner for. Is that crazy? OK, let's see, if you give it to Mr. Flynn, he'll sign it ... and you'll take two separate pictures of these Ted.

...zoom into document...

MF Little art work?

GA I think it...I think we have to, seeing as that's how the checks are.

LH OK and I've just taken a picture of this affidavit and asked that you initial at the bottom of the pages and then sign it once you get your pen back.

...GA signs document...

MF (Laughs)

LH OK, and here is the second affidavit...

...zoom into document...

LH OK.

...GA signs document...

MF How do you do that so quickly? That's awesome.

LH Um... OK, do you have any sort of identification on you so we can give it to the notary?

GA Sure.

LH So she can notarize your documents.

GA We haven't met before, have we?

JR No.

LH Why don't I have you sign...

LH Uh, I don't think we need to take a picture of this, this is the stipulated sealing order but you know what, all of these are for Bruce Bunch's signature I think...

MF Oh, are they...

LH Because...

MF Should we get Bruce donw here at some point?

LH Well...

MF Bruce is in trial I think...

GA Yeah, he is.

MF Yeah, whatever, we can get Bruce back down here. He's in the middle of a trial...

LH I think I'd want either Bruce or Julia's signature on this.

MF Julia would probably be easier...

LH Yeah...

MF Cause Bruce is in the middle of a trial.

LH Well we can arrange for that, that shouldn't be a problem...

MF Well she's coming Monday to do hers...right?

LH Exactly, um, ok, I noticed by the way, in this stipulation for return of sealed materials, it also has Mr. Armstrong's signature and your signature on it so...Let's take a picture of that.

...zoom into document...

LH And have you had a chance to read this yet Mr. Armstrong?

GA Yeah.

LH OK...alright... would you date and sign that please.

GA I keep thinking it's '85.

LH It's a good way...certainly...not to confuse your signature...

GA No.

LH ...Because Mr. Armstrong is, um, putting a face on his signature.

GA Makes it valuable.

LH Exactly.

MF It's awesome...as opposed to my ugly scrawl.

LH You probably have the same artistic talent that I have, which is...

MF Mine is zero.

LH Zero to none. OK, and I think that's it. Thank you Ted. Oh OK, or do you have any questions?

GA No, no

MF Those are orders...

LH These are orders which will be signed by the attorneys which will relate to sealing the files so that no one can get into them as well dismissing your actions. Those will be signed when the entire settlement is finished, um, and then given to the court for Judge Breckenridge's signature.

GA OK...

LH OK.

MF We should put how many docs we got...

GA Do you need duplicate sets signed? Or is that...

MF No, no there's only one...

LH No.

...counting documents...

MF 1-2-3-4 here.

LH OK, I've got two here which is six and then there's two affidavits which is eight.

LH OK, and if you got a drivers license or...

GA Right here.

JR He gave it to me...

LH Already got it?

GA Yeah.

JR You need to put your signature there and your address there please.

LH So you had a good time today?

MF Oh yeah, we had an excellent time, it was very pleasant and we had a nice plane ride up - nice plane ride back...

LH Well Michael's good company.

MF Nice visit with ah...yeah, Mike's very good company... nice, pleasant...

LH I've flown with him once or twice myself.

MF Yeah.

LH The trouble with me, he ususally sleeps. I'm not sure why that is.

MF No, we didn't sleep, (laughs).

MF Witnesses, we need witnesses with some of these docs.

LH Uh, no I think there was a one...that's right.

MF ...several are needed...

LH ...well, just, no only...

MF ...just the release.

LH Only the ah, mutual release...did I see a witness signature there? And there were... you know let's get Ted back - As a matter of fact Ted, why don't you roll this again because we're going to have witnesses sign. Thanks for reminding me.

MS Should Ted be a witness?

LH Oh, you two were witnesses so far... OK, we're back on the camera - 9:15 - and I neglected to get witnesses signatures on the uh, mutual release of all claims and settlement agreement so why don't I do that right now.

...Witnesses sign...

MS Just the one?

LH Okee-dokee, yup, and those are affidavits. Will you stamp them? Thanks Ted. Allright, so...we want to put up all this down in the vault...

MF This all goes together.

LH ...and you've marked that stuff for Michael Hertzberg.

MF Yeah. All marked.

END OF TAPE

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Attorneys for Amicus Curiae Joseph A. Yanny, an individual and Joseph A. Yanny, a professional Law Corporation.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, A California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG and DOES 1 through 25 inclusive, Defendants.	No. BC 052 395 DECLARATION OF GRAHAM E. BERRY TO ALL EVIDENCE IN SUPPORT OF AMENDED AMICUS CURIAE BRIEF IN OPPOSITION TO PLAINTIFFS' ORDER TO SHOW CAUSE RE PRELIMINARY INJUNCTION AND SUPPORTING EXHIBITS Date: May 14, 1992 Time: 8:30 a.m. Dept.: 86 [Filed concurrently with Joseph A. Yanny's Amended Amicus Curiae Brief]

I, Graham E. Berry, declare:

1. I am an attorney duly licensed to practice before the courts in the state of California and I am a member of the law firm of Lewis, D'Amato, Brisbois & Bisgaard, attorneys of record for amicus curiae Joseph A. Yanny, Esq. in this action.

2. I have personal knowledge of the facts contained in this declaration and could and would competently testify to those

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facts if ca[illegible] upon to do so. As to t[illegible] matters which are stated to be upon information and belief, I believe them to be true.

3. This declaration is offered in support of Joseph A. Yanny's amicus curaie brief in opposition to plaintiffs' order to show cause re preliminary injunction.

4. Attached hereto as Exhibit A is a copy of a document entitled mutual release of all claims and settlement agreement dated 12-6-86. ("The Armstrong Settlement Agreement.")

5. Attached hereto as Exhibit B is a copy of a document entitled settlement agreement and bearing various dates in and around December 6, 1986.

6. Attached hereto as Exhibit C is a copy of an order dismissing action with prejudice dated December 11, 1986.

7. Attached hereto as Exhibit D is a copy of a minute order entered December 12, 1986.

8. Attached hereto as Exhibit E is a copy of reporters transcript of proceedings, December 11, 1986.

9. Attached hereto as Exhibit F is a copy of Reporters transcript of hearing dated August 6, 1991 in Religious Technology Center et al v. Joseph A. Yanny, et al. ("The Yanny II Injunction Hearing").

10. Attached hereto as Exhibit G is a copy of a memorandum of intended decision and accompanying minute order dated June 22, 1984. ("The Breckenridge Decision in Armstrong I").

11. Attached hereto as Exhibit H is a copy of the complaint in Vicki Aznaran and Richard Aznaran v. Church of

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Scientology, et al. ("The Aznaran Comp. :").

12. Attached hereto as Exhibit I is a copy of a verified complaint in Religious Technology Center et al. v. Joseph A. Yanny, ("The Yanny II Complaint").

13. Attached hereto as Exhibit J is a copy of the verified first amended answer in Religious Technology Center et al v. Joseph A. Yanny et al. ("The Yanny II Answer")

14. Attached hereto as Exhibit K is a copy of Reporters Transcript of Proceedings, December 23, 1991. ("The Geernaert Decision in Armstrong I")

15. Attached hereto as Exhibit L is a copy of a letter and enclosure dated March 13, 1992 from Graham E. Berry of Lewis, D'Amato, Brisbois & Bisgaard to Laurie J. Bartilson of Bowles & Moxon requesting plaintiffs to release Gerald Armstrong from the provisions of the Armstrong Settlement Agreement with regard to Joseph A. Yanny.

16. Attached hereto as Exhibit "M" is a copy of a letter from Gerald Armstrong to Eric Lieberman a Scientology attorney dated August 21, 1991 complaining of harassment, surveillance and terrorism.

17. Attached hereto as Exhibit N is a copy of reporters transcript of proceedings dated March 3, 1992. ("The Dufficy Decision").

18. Attached hereto as Exhibit O is a copy of a meet and confer statement in Religious Technology Center et al v. Joseph A. Yanny ("Yanny II") which explains the Yanny II litigation and underlying facts.

//

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19. Attached hereto as Exhibit P is a copy of a Declaration of Gerald Armstrong Dated March 16, 1992.

20. Attached hereto as Exhibit Q are deposition excer2pts from the Deposition of Gerald Armstrong taken on Tuesday, March 17, 1992.

21. Attached hereto as Exhibit R are deposition excerpts from the Deposition of Gerald Armstrong taken on April 7, 1992.

22. Attached hereto as Exhibit S is a copy of L. Ron Hubbard's Technique 88 "Control and Lying".

23. Attached hereto as Exhibit T is a copy of "Suppressive Person Declare Gerry Armstrong."

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 7th day of May, 1992 at Los Angeles, California.

Graham E. Berry

Graham E. Berry

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Exhibit B

WORK COPY

SETTLEMENT AGREEMENT

A. PRIOR SETTLEMENTS:

Settlement agreements made prior to November 1, 1986 and prior to the collective settlement stated below:

	Client	Amount	Fee and Expenses
(1)	Bears	$115,000.00	To be determined with local counsel
(2)	Garritys	$175,000.00	To be determined with local counsel
(3)	Petersons	$175,000.00	To be determined with local counsel
(4)	Jefferson	$150,000.00	To be determined with local counsel
(5)	Lockwood	$150,000.00	To be determined with local counsel
(6)	Hartwell	$150,000.00	To be determined with local counsel
		$915,000.00	To be determined with local counsel

B. INDEPENDENT SETTLEMENT:

The Christofferson-Titchborne settlement was made separate from the collective settlement. It was agreed to between attorney Gary McMurray, his client, Julie Christofferson-Titchborne and the Church of Scientology.

EXHIBIT H

Client	Amount	Fee and Expenses
Christofferson-Titchborne	$100,000.00	To be determined by attorney McMurray and client. None of the attorneys representing other clients in the collective settlement represent or have represented Christofferson-Titchborne.

C. COLLECTIVE SETTLEMENT:

The following cases/clients are part of a collective settlement made on December 11, 1986. The undersigned acknowledge that the settlement set forth above in Paragraphs A and B were made as separate settlements, meaning that the cases/clients listed in Paragraphs A and B agreed to the amounts stated therein prior to the collective settlement as in Paragraph A, and independent from the collective settlement as in Paragraph B. The total amount of the collective settlement is $2,800,000.00. The total amount of the collective settlement and the prior independent settlements in Paragraphs A and B is $3,815,000.00. The collective settlement allocation is as follows:

Client	Amount	Fee and Expenses
(1) Nancy Dincalci	$ 7,500.00	None
(2) Kima Douglas	$ 7,500.00	None

EXHIBIT H

(3)	Robert Dardano	$ 15,000.00	None
(4)	Warren Friske	$ 15,000.00	None
(5)	William Franks	$ 40,000.00	None
(6)	Laurel Sullivan	$ 40,000.00	None
(7)	Edward Walters //	$100,000.00	To be determined between client and attorneys
(8)	Howard Schomer	$200,000.00	To be determined between attorney Bunch and client
(9)	Martin Samuels	$500,000.00	To be determined between attorney McMurray and client
(10)	Gerald Armstrong v. Church of Scientology	$800,000.00	To be determined between attorney Bunch and client
(11)	Fees and expenses to attorneys Contos & Bunch, Robert Kilbourne, Michael Flynn, and associated counsel for the prosecution and defense of various cases including the "Hubbard documents" case, the "check-frame up" case and the defense of approximately 17 lawsuits against attorney Flynn and his clients.	$500,000.00	To be determined between attorneys Contos & Bunch, Michael Flynn, Robert Kilbourne, and associated counsel
(12)	Flynn v. Ingram (No. _____) Flynn v. Hubbard (No. _____)	$575,000.00 -0-	To be determined between attorney Flynn and his counsel
		$2,000,000.00	

We, the undersigned, agree and acknowledge that (1) we have read the foregoing Settlement Agreement; (2) that we agree with the total settlement amount and the allocations to the respective cases/clients as set forth therein; (3) that we have either consulted, been advised to consult or have had the opportunity to consult with attorneys other than Michael J. Flynn who, we acknowledge is also a claimant against the Church of Scientology and L. Ron Hubbard; (4) that we agree to maintain the confidentiality of this Settlement Agreement; (5) that we acknowledge that many of the cases/clients involved in this settlement have been in litigation against the Church of Scientology for more than six to seven years, that many have been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the (a) length and degree of harassment; (b) length and degree of involvement in the litigation; (c) the individual nature of each respective claim in connection with either their involvement with the Church of Scientology as a member and/or as a litigant; (d) the unique value of each case/client based on a variety of things including, but not limited to, the current procedural posture of a case, specific facts unique to each case, and financial, emotional or consequential damage in each case; that we agree and

EXHIBIT H

acknowledge that Michael J. Flynn has primarily been responsible for bearing the cost of the litigation over a period of approximately seven years, that he or his firm's members have been required to defend approximately 17 lawsuits and/or civil/criminal contempt actions instituted by the Church of Scientology against him, his associates and clients, that he and his family have been subjected to intense and prolonged harassment, and that his claims against the Church of Scientology and L. Ron Hubbard, and his participation as an attorney have a unique value which is accurately and properly reflected in the allocations set forth herein.

NANCY DINCALCI — DATE: Dec 5 1986

KIMA DOUGLAS — DATE: Dec 5 - 1986

ROBERT DARDANO — DATE: Dec-20-1986

WARREN FRISKE — DATE:

LAUREL SULLIVAN — DATE:

DATE:

EXHIBIT H

Paul Gaer
WILLIAM FRANKS

DATE: [illegible]

EDWARD WALTERS

DATE: November 7th 1986

HOWARD SCROMER

DATE: 12-5-86

MARTIN SAMUELS

DATE: Dec 4, 1986

GERALD ARMSTRONG

DATE: 12-6-86

MICHAEL J. FLYNN

DATE:

CONTOS & BUNCH
A PROFESSIONAL CORPORATION

BY: [signature] BRUCE H. BUNCH JUDIA PRAGOFF

DATE: 12-10-86

GARY AC MURRAY

DATE: December 6, 1986

ROBERT KILBOURNE

DATE:

Jane Peterson.
3:3:17

DATE:

Richard Peterson

DATE:

-6-

[illegible]

DATE: [illegible]

EXHIBIT H

EXHIBIT E

Marin Independent Journal, Wednesday, November 11, 1992



IJ photo/Frankie Frost

CASH CRITIC: Gerald Armstrong of San Anselmo reflects on how the world would be a better place without money

Is money the root of problems?

Critic of cash, credit urges monetary abolition

By Richard Polito

Independent Journal reporter

Gerald Armstrong has an idea for dealing with the national debt — write it off. Forget it. It doesn't exist.

It's that easy.

The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished. No more pay checks, no more loan payments, no more taxes, and forget that $20 you owed your brother-in-law.

Bank presidents would clean up litter. Donald Trump could get a real job. The Financial District would be a ghost town with marble lobbies — and lots of parking.

And it all starts today.

In a rare moment of realism, Armstrong admits today's deadline "is probably not going to be achieved."

Renouncing cash, credit

Armstrong, self-proclaimed founder of the Organization of United Renunciants, set the date for people who have taken his "pledge of renunciation" to stop using money. Fellow renunciants will renounce all cash and credit, stop taking money, stop paying with money, forgive all their debts and stop keeping financial records.

The critic of credit has already put his money where his doubts are. He gave it all away. And it was more than pocket change.

Armstrong won an $800,000 settlement in a harassment suit against the Church of Scientology six years ago. Once a member of the inner circle, he is now a vocal critic.

Armstrong doesn't expect everyone to buy in from the start, just "somewhere between 1 and 11 percent."

He's a tad short. Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet.) He has also written to the New York Times and other mega-media.

Ted Koppel has not called.

Money considered valueless

Armstrong is not discouraged.

The monetary messiah insists there is much about daily life that will not change. People will still go to work, shop at the market and pick out a new car every few years. They just wouldn't exchange any money along the way.

Money, in Armstrong's eyes, has no value and the existence of money has created entire industries that do nothing more than transfer mythical essences of value from one account to another.

In Armstrong's cashless Utopia, there would be total employment because people could do jobs they wanted to do and companies could employ more workers because they would not have to pay them. Farmers would still farm. Autoworkers would still make cars. Sewer workers would still shovel sludge.

And Disneyland would no longer charge admission.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT, DIVISION FOUR

Civ. No. B 069450
(Super. Ct. No. BC 052395)

CHURCH OF SCIENTOLOGY INTERNATIONAL,

Plaintiff-Respondent

-vs-

GERALD ARMSTRONG,

Defendant-Appellant.

On Appeal From Superior Court Of The State Of California
County of Los Angeles
The Honorable Ronald M. Sohigian

APPELLANT'S OPENING BRIEF

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(9th Ed. 1987) Vol. 1, Contracts, § 429 47
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Civil No. B 069450

IN THE COURT OF APPEAL FOR THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT, DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL, Plaintiff and Respondent, vs. GERALD ARMSTRONG, Defendant and Appellant.	[Los Angeles Superior Court No. BC 052395]

APPELLANT'S OPENING BRIEF

INTRODUCTION

Appellant Gerald Armstrong appeals the issuance of a preliminary injunction by the Honorable Ronald M. Sohigian of the Los Angeles Superior Court in favor of respondent Church of Scientology International ("Scientology").

Despite the fact that the trial court granted very little of the injunctive relief Scientology sought, for the reasons stated below the injunction is illegal.

The settlement agreement the injunction in part enforces was procured by fraud, duress and the compromise of appellant's own attorney who also represented well over a dozen signing plaintiffs in the same "global settlement." None were represented by independent counsel. Flynn, who himself was a plaintiff, gained the most by the settlement, and at no time advised Armstrong that pursuant to the terms of the settlement Scientology could say whatever slander it wanted about Armstrong while he had to remain mute.

The injunction violates Armstrong's First Amendment Rights

to Freedom of Speech and Association and is a violation of Fourteenth Amendment Right to Equal Protection as it creates two classes of litigants. Those who have the money can buy Armstrong's testimony because he can only testify when compelled by Court Order. Those who cannot pay for Court Orders must go without the foremost expert on Scientology in the world.

It is Armstrong's special first-hand knowledge of a criminal organization that has been judicially suppressed through the mechanism of a preliminary injunction at issue here. Scientology would hold Armstrong silent while it slanders him - making him a "dead agent" - with impunity in order to further foist distortion and misrepresentation upon the world.

The injunction deprives the public of expert information and competent testimony an organization long-recognized as criminal, that preys on the weak, lost and lonely.

The injunction undermines the integrity of the judicial system and is an affront to honesty and fair play.

STATEMENT OF THE CASE

On February 4, 1992, Scientology filed its verified complaint for damages and for preliminary and permanent injunction against defendant Gerald Armstrong in Marin County Superior Court Action No. 152229. On March 30, 1992 the Marin court granted Armstrong's motion to transfer to the Los Angeles County Superior Court where it became Action No. BC 052395. During the pendency of Scientology's motion for injunctive relief, and in order to maintain the status quo, but specifically stating there was no adjudication on the merits, the Marin Court granted a temporary restraining order (16) [1] which was ultimately dissolved in Los Angeles.

On May 7, 1992, Scientology filed its Amended Memorandum of

[1] All citations designated (___) are to the particular sequential page number of the Appendix Filed In Lieu Of Clerk's Transcript pursuant to California Rule of Court 5.1.

Points and Authorities in Support of Plaintiff's Motion for Preliminary Injunction for Breach of Contract (1-29), and Armstrong filed his Opposition to Motion for Preliminary Injunction. (30-50) Scientology replied on May 20, 1992. (51-63) The matter was heard on May 26 and 27, 1992 by the Honorable Ronald M. Sohigian (RT 5/26/92 and 1594-1713) who issued a preliminary injunction by his minute order dated May 28, 1992. (1714-17) Notice of ruling was given on June 5, 1992 in conjunction with the posting of a $70,000.00 bond. (1718-27)

Armstrong's Notice of Appeal was timely filed on July 30, 1992. (1728-30)

STATEMENT OF APPEALABILITY

Since this matter involves the granting of an injunction, it is the proper subject of an appeal. Code of Civil Procedure section 904.1 (f).

I. STATEMENT OF FACTS

A. Gerald Armstrong, The Scientologist

In consequence of being a member of the Scientology Organization for 12 years, Gerald Armstrong gained first-hand knowledge regarding both the nature of the organization and the methods of its day-to-day operations. Although Armstrong ultimately learned, that L. Ron Hubbard ("LRH") was "virtually a pathological liar when it [came] to his history, background, and achievements" (474-75, 485-89, 1004, 1008-14), at the outset of his involvement it was Hubbard's lies which induced his affiliation. (1004-08, 1067)

Armstrong learned that after inducing the affiliation of its members by various deceptions, Scientology continually "violat[ed] and abus[ed] its own members' civil rights, . . . with its "Fair Game" doctrine [and] harass[ed] and abuse[ed] those persons not in the Church whom it perceive[d] as enemies." (474) The "Fair Game Policy," a part of Scientology's system of discipline and punishment, states:

"Enemy - SP (Suppressive Person) Order. Fair Game. May be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

(1036-1037)

Scientology also abused its members' civil rights through breaching its promises that the personal information it extracted from adherents through "auditing" [2]/ would be kept confidential. Instead, it used such information for the purposes of domination, extortion and blackmail. (734-74, 1039-41) Auditing was also employed to eliminate the members' ability to critically reason, (1038, 1081), despite Scientology's public claim that its purpose was to free individuals. (1086)

Armstrong possesses first-hand information regarding the visible structure of Scientology, and how the leadership ran Scientology through internal organizations, such as the Guardian's Office, the Sea Organization and the Commodore's Messenger Organization, which managed, operated and controlled all of Scientology regardless of any particular corporate designation. (475, 997, 1023-30, 1045-46). He knew that LRH's representation to the general public and the Scientology membership that "the fees you pay for service do not go to me" was false and that LRH lived in splendor while the organization staff lived like slaves. (1032-34)

Armstrong participated in and drilled hundreds of people in

[2] During the process of "auditing" in Scientology, a person being "audited," a "penitent," communicates to the clergyman, counselor, or therapist, the "auditor," his innermost thoughts and relates incidents from his life which are emotionally charged, embarrassing or for which he could be blackmailed. The auditor writes down what the penitent says in "auditing reports." The auditor demands and records details such as time and place when an incident occurred, who was present, who knew about the incident, their relationship to the penitent and their address or general location. These "auditing reports" form, along with the auditor's notes and instructions made after the auditing sessions, the penitent's auditing files. (1081)

institutionalized schemes of practiced deception called "shore stories" or "acceptable truths," which LRH claimed were required to combat the "enemy." (1051, 1016-19, 787-88)

Armstrong was assigned to the Intelligence Bureau of the Guardian's Office [3]/ headed by LRH and his wife and then posted as LRH's communications aide. (996) During this time he coded and decoded Guardian's Office telexes, and maintained LRH's operations files including those which ordered infiltration of the federal, state and local government offices, and the theft of documents. Armstrong also handled LRH's telexes and dispatches ordering corporate manipulations which showed an absence of corporate integrity among the Scientology organizations.(1045-46)

LRH ordered Armstrong and his wife into the Rehabilitation Project Force ("RPF"), which was "a virtual prison Hubbard had created for any Sea Org members whom he considered to be in violation of or 'counter-intention' ("CI") to his orders or policies." (997; 738; 1048-49) The purpose of the RPF was to control members, who were physically held and not free to leave, break their will and obtain free labor. (740, 1050) Armstrong was imprisoned within the RPF for 17 months on one occasion and 8 months on a second. (739, 997, 999, 1048)

Armstrong personally participated in the massive destruction of evidence ordered in anticipation of a raid by the F.B.I. during which he came across LRH's life archive. (480-81, 485-86, 1000-01) Throughout 1980 and 1981, Armstrong assembled an

[3] "The Guardian's Office is charged with the protection of Scientology. The Guardians handle intelligence matters including covert operations to acquire Government documents critical of Scientology, internal security within Scientology, and covert operations to discredit and remove from positions of power all persons whom Scientology considers to be its enemies." United States v. Heldt (1981) 668 F.2d 1238, 1247, cert. denied (1982) 102 S.Ct. 1971. The Guardian's Office executed tremendous control throughout all of Scientology, and until 1981, was the most powerful of LRH's two main control lines. (1023-28)

archive of 500,000 pages of documentation of LRH's life, writings and accomplishments. (1003) In October 1980, LRH contracted with an independent author, Omar V. Garrison, to write his biography. (1004) Armstrong became Garrison's "research assistant." (1004; 483-85)

During his biographical research, Armstrong discovered that LRH and Scientology had continuously lied about LRH's past, credentials and his accomplishments. (486, 1008-14) As the wide gap between LRH's claims about himself and the reality evidenced by the documentation Armstrong had assembled became manifest, he attempted to convince Scientology executives to change the biographical materials being published and disseminated about LRH so that they would be truthful. (1004; 486-87)

In response to Armstrong's requests that Scientology tell the truth about Hubbard, a leader ordered that Armstrong be "security checked. (487) Sec checking is a brutally accusative interrogation in which the E-Meter, the electrometer used in Scientology auditing, is employed as a lie detector and tool of intimidation. Upon learning that his sec checking had been ordered, Armstrong and Jocelyn, his wife, left Scientology. (1015)

Following Armstrong's departure, Scientology sued him, and hired private investigators who assaulted him, ran into him bodily with a car, attempted to involve him in a freeway accident, and followed and harassed him day and night for over one month. Scientology made four attempts to bring false criminal charges against him, destroyed his marriage, used his best friend to set him up in an intelligence operation, and had its members, lawyers and private investigators make false statements against him. (1053, 492-93)

B. <u>Scientology Sues Armstrong The First Time And Loses</u>

On August 2, 1982, Scientology sued Armstrong in L.A.S.C. No C420153 ("<u>Armstrong I</u>") for conversion of certain papers which he had archived as part of the Hubbard biography project. After a

lengthy trial, Judge Paul G. Breckenridge, Jr., filed his Memorandum of Intended Decision in Armstrong's favor on June 22, 1984. (467) Rejecting Scientology's effort to silence Armstrong and his counsel, (see 1202-1226), he stated:

> Defendant and his counsel are free to speak and communicate upon any of Defendant Armstrong's recollections of his life as a Scientologist or the contents of any exhibit received in evidence or marked for identification and not specifically ordered sealed. . . . defendant and his counsel may discuss the contents of any documents under seal or of any matters as to which this court has found to be privileged as between the parties hereto, with any duly constituted Governmental Law Enforcement Agency or submit any exhibits or declarations thereto concerning such documents or materials, without violating any order of this court.

(469) Judge Breckenridge found the facts presented by Armstrong to be true and incorporated Armstrong's trial brief as an appendix to its decision. (470) He characterized Scientology as malevolent, in part because the organization "or its minions is fully capable of intimidation [of witnesses, including Armstrong] or other physical or psychological abuse if it suits their ends" (474), and provided the following factual findings:

> In 1970 a police agency of the French Government conducted an investigation into Scientology and concluded "this sect, under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract a maximum amount of money from its adepts by (use of) pseudo-scientific theories, by (use of) 'auditions' and 'stage settings' (lit. to create a theatrical scene') pushed to extremes (a machine to detect lies, its own particular phraseology . .), to estrange adepts from their families and to exercise a kind of blackmail against persons who do not wish to continue with this sect." [footnote omitted] From the evidence presented to this court <u>in 1984</u>, at the very least, <u>similar conclusions can be drawn</u>.
>
> In addition to <u>violating and abusing</u> its own members <u>civil rights</u>, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The <u>organization is clearly schizophrenic and paranoid</u>, and this bizarre combination seems to be a reflection of its founder LRH [L.

Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile.

(Emphasis added.) (474)

In contrast to his findings regarding Scientology, Judge Breckenridge found Armstrong and his witnesses to be credible and sympathetic. He wrote:

> As indicated by its factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Homer Schomer to be credible, extremely persuasive and the defense of privilege or justification established and corroborated by this evidence . . . In all critical and important matters, their testimony was precise, accurate, and rang true. The picture painted by these former dedicated Scientologists, all of whom were intimately involved [with the highest echelons of power in] the Scientology Organization, is on one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH [L. Ron. Hubbard], and his ideas. Each has manifested a waste and loss or frustration which is incapable of description.

(Emphasis added.) (473)

C. Scientology's Attempt To Frame Michael Flynn [4]

Within four months of Judge Breckenridge's decision, Scientology engaged in a massive "black PR" campaign against Michael Flynn which included the following operation:

> The recent efforts of Hubbard and his Organization include procurement through the payment of $25,000 to an individual currently under indictment for perjury and fraud, of an affidavit claiming that I assisted in the forgery of a two million dollar check belonging to L. Ron Hubbard. The affidavit was procured by one Eugene Ingram who has been removed from the Los Angeles

[4] This section is based upon the Declarations of Michael J. Flynn, Armstrong's attorney. The Court should note that said declarations, however, were excluded from evidence. The trial court was incorrect however, because said declaration were based upon the personal knowledge of Flynn.

Police Department for aiding narcotics dealers, pimping, and running a house of prostitution. Mr. Ingram procured the affidavit from a citizen of the United Arab Emirates after publicizing a $100,000 reward in full page advertisements in the Boston Globe, the New York Times, and other newspapers.

(1183-84) The foregoing facts were found to be accurate in the reported decision, United States v. Kattar (5th Cir. 1988) 840 F.2d 118, 119-22.

D. Scientology's Attempt To Frame Armstrong

In 1984, after the Breckenridge decision, Scientology also attempted to set up and frame Armstrong, to "dead agent" him. As stated by Scientology in the Miller, Aznaran, and Xanthos litigation (discussed infra.)

Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [Scientology's] files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity.

(1546-50; see also (1320). He had been

"plotting against ... Scientology ... and seeking out staff members who would be willing to assist him in overthrowing [Scientology] leadership. [Scientology] obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On November 30, 1984, Armstrong met with one Michael Rinder, an individual whom Armstrong thought to be one of his "agents" (but who in reality was loyal to [Scientology]). In the conversation, recorded with written permission from law enforcement, Armstrong stated the following in response to questions by Mr. Rinder as to whether they had to have actual evidence of wrongdoing to make allegations in Court against [Scientology's] leadership:

Armstrong: They can allege it. They can allege it. They don't even have -- they can allege it.
RINDER: So they don't even have to -- like -- they don't have to have the documents sitting in front of them and then --
Armstrong: Fucking say the organization destroys documents. . . . Where are the -- we don't have to prove a goddamn thing. We don't have to prove shit; we just have to allege it.

(Ex. E, Declaration of Lynn R. Farney, ¶ 6.) With such a criminal attitude, Armstrong fits perfectly into Yanny's game plan for the Aznaran case."

(1353-54)

The "written permission from law enforcement" was fraudulent and made without authority. The bogus document was dated November 7, 1984 on the letterhead of Eugene Ingram. (1572)

By public announcement, Los Angeles Chief of Police, Daryl F. Gates, repudiated the "written permission." In part, Chief Gates stated:

> I have directed an official letter to Ingram informing him that the letter signed by Officer Phillip Rodriguez dated November 7, 1984, and all other letters of purported authorizations directed to him, signed by any member of the Los Angeles Police Department, are invalid and unauthorized.

(1574)

Scientology's allegations against Armstrong were thoroughly investigated by the Los Angeles County District Attorney's Office and completely and soundly rejected. (1576-87)

E. <u>The Settlement</u>

In the <u>Armstrong I</u> litigation, on both the complaint and cross-complaint, Armstrong was represented by Boston attorney Michael J. Flynn, who also was Armstrong's employer. (665) In early December 1986, an agreement was reached in Los Angeles by the Scientology Organization and Flynn to settle most of the cases in which Flynn was involved, either as counsel, or as a party. On December 5, 1986, Armstrong, along with nearly a score of other litigants adverse to Scientology - all of whom were represented by Flynn - was flown to Los Angeles to participate in a "global settlement." (667) When Armstrong arrived in Los Angeles from Boston, he knew that settlement negotiations had been going on for months. (762) Upon Armstrong's arrival, he was shown a copy of a document entitled "Mutual Release of All Claims and Settlement Agreement" for the first time, as well as some other documents that he was expected to sign.

When Armstrong read the settlement agreement, he was shocked

and heartsick. The agreement betrayed everything that Armstrong had stood for in his battle opposing Scientology. (760) He told Flynn that the condition, set forth in settlement agreement ¶ 7-D, of "strict confidentiality and silence with respect to his experiences with the [Scientology organization]" was outrageous and not capable of compliance because it involved over 17 years of his life. Armstrong told Flynn that ¶ 7-D would require him to pay $50,000 if he told a doctor or a psychologist about his experiences over those 17 years, or if he put on a job resume the positions he had held while in Scientology. He told Flynn that the requirements of non-amenability to service of process in ¶ 7-H and non-cooperation with persons or organizations adverse to the organization in ¶¶ 7-G and 10 were obstructive of justice. Armstrong told Flynn that agreeing in ¶ 4-B to allow Scientology's appeal of Judge Breckenridge's decision in Armstrong I to continue without opposition was unfair to the courts and all the people who had been helped by the decision. Armstrong said to Flynn the affidavit that Scientology demanded he sign along with the settlement agreement was false. (668, 759)

Right after Armstrong first saw the document, he was told there were a number of other people with claims against Scientology who had already signed and others were being flown in to sign. (762) Flynn told Armstrong that he, and all the other lawyers, wanted to get out of the litigation because it had ruined his marriage and his wife's health. Flynn told Armstrong that all the other witnesses upon whom later he would have to depend wanted to settle, too.

In Flynn's presence, Eddie Walters, another litigant adverse to Scientology, yelled at Armstrong. Walters said everybody wanted out of the litigation, that Armstrong's objections would kill the deal for all of the them, and that Armstrong's objections didn't matter because the settlement was bigger than he was. (762-63) Flynn did not stick up for Armstrong. (764)

Flynn told Armstrong if he did not sign all he had to look forward to would be more years of threats, harassment and misery from Scientology, and everybody else would be very upset. Flynn advised Armstrong that the conditions of the settlement which he found offensive "were not worth the paper they were printed on" and that Scientology's lawyers were aware of Flynn's legal opinion and, nonetheless, wanted such language included. (759) Flynn advised Armstrong that in the event that there was further litigation against Armstrong by Scientology, Flynn would still be there to defend him. (768) Armstrong felt "a great deal" of pressure to sign the agreement, and capitulated. (761, 765-66, 772; 670-71)

It was Armstrong's understanding and intent at the time of the settlement that he would honor the silence and confidentiality provisions of the settlement agreement, and that Scientology would do likewise. (672)

On December 11, 1986, Flynn and Scientology attorneys John G. Peterson, Michael Lee Hertzberg and Lawrence E. Heller appeared, ex parte, before Judge Breckenridge, announced that they had settled Armstrong's Cross-Complaint in Armstrong I (458), and submitted a number of documents for filing. (1235-36, 1238, 1240-41, 1243-45, 1247-49, 1251.) Despite its promises, Scientology never did file the settlement agreement. (1258)

When Judge Breckenridge inquired whether the agreement impacted the appeal of his decision, the attorneys said that the agreement did not (458), despite Paragraphs 4-A and 4-B. (75-76) None of the attorneys advised Judge Breckenridge of their side stipulation that any retrial of Armstrong I ordered by the Court of Appeal would limit damages claimed by Scientology to $25,001, (1253) [5] and they failed to advise him there was another side

[5] Said stipulation, signed by Michael Flynn on Armstrong's behalf and by John Peterson and Michael Hertzberg for Scientology and Mary Sue Hubbard, states: "The Church of Scientology of California, Mary Sue Hubbard, and Gerald

agreement between Flynn and Scientology attorneys Cooley and Heller whereby they agreed to indemnify Flynn if the Court of Appeal reversed Armstrong I and they retried the case and won. (1255-56)

Moreover, prior to and at the time of the settlement Armstrong was not aware of the side agreements between his lawyers and the lawyers for the organization that considered Gerald Armstrong as their enemy! (712-13, 715; 771-72)

On December 18, 1986, the Court of Appeal dismissed appeal No. B005912 as premature because Armstrong's cross-complaint remained to be tried. (1260-73) [6]

On January 30, 1987, Scientology filed an Unopposed Motion to Withdraw Memorandum of Intended Decision in Armstrong I. (1279-83) which Judge Breckenridge denied. (1285) Scientology then filed its second appeal in Armstrong I. (1287) On July 29, 1991, the Court of Appeal affirmed Judge Breckenridge's decision. Church of Scientology of California v. Armstrong (1991) 232 Cal.App.3d 1060, 283 Cal.Rptr. 917.

F. Scientology's Post Settlement Breaches

1. The Corydon "Dead Agent" Pack

In 1987, less than one year after the agreement was signed,

Armstrong, by and through their undersigned counsel, hereby stipulate that in any retrial ordered by any appellate court in Church of Scientology of California v. Gerald Armstrong, LASC No. 420153, the total damages awarded to the Plaintiff Church of Scientology of California and Plaintiff in Intervention Mary Sue Hubbard, combined for any and all causes of action, shall not exceed twenty five thousand and one dollars ($25,001.00)."

[6] The Court of Appeal would not have been advised of the resolution of the underlying Cross-Complaint in Armstrong I - on the existence of which it based its order of dismissal of the appeal - because the fate of said appeal was the subject of Paragraphs 4-A and 4-B of the secret agreement.

Scientology distributed a "dead agent" [7] pack which included an attack on Armstrong. It stated:

> "Corydon has used a description of the RPF provided by Gerry Armstrong, among others. Armstrong's description in this book, however, is completely contrary to his own previous sworn affidavit about the RPF. (Gerry Armstrong's description of the RPF in Corydon's book can also be viewed in light of Armstrong's numerous false claims and lies on other subject matters.)"

(1504) (Emphasis added.)

2. **Scientology's Declarations In The Miller Litigation**

In October, 1987, Scientology representative Kenneth Long executed five affidavits in Church of Scientology of California v. Miller, High Court of Justice, Chancery Division, No. 1987 C. No. 6140, wherein Long solely discussed his characterizations of Armstrong's activities that had been at issue in the Armstrong I litigation, and thus included within the scope of the settlement agreement. (See Appendix pp. 1506-23; 1525-44; 1546-50, 1555-62, 1564-70)

Long's third affidavit falsely charged that:

> Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [Scientology's] files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity. (1549)

In another affidavit filed in the Miller case on October 5, 1987, Sheila M. Chaleff also falsely stated:

> Mr. Armstrong is known to me to be a US government informant who has admitted on video tape that he intended to plant

[7] "A 'dead agent' is a concept created by Hubbard in which an agent who is supposedly spreading stories about you, a lie, an untruth in his story is found. And that is documented. [¶] And then that documented fact is circulated to all of the people to whom the agent has communicated, and then he will become essentially dead, he will be killed by those people who have earlier trusted him. So you've destroyed his credibility and as an agent he is dead. [¶] And this pack of materials was a dead agent pack put out to dead agent Bent Corydon. Bent Corydon had written a book about Hubbard, and this is a pack of materials to discredit Bent Corydon." (791)

forged documents within the Church of Scientology and then using the contents to get the Church raided where these forged documents would be found and used against the Church. (1553)

3. Heller's Declaration And Argument In The Corydon Litigation

On or about November 1, 1989, in the case entitled Corydon v. Church of Scientology International, Inc., et al., LASC No. C694401, Scientology attorney Lawrence E. Heller filed a Notice of Motion and Motion of Defendant Author Services, Inc. to Delay or Prevent the Taking of Certain Third Party Depositions by Plaintiff. (1294-1305) In his memorandum, Heller discussed the "block settlement" of which the Armstrong agreement was a part:

> One of the key ingredients to completing these settlements, insisted upon by all parties involved, was strict confidentiality respecting: (1) the Scientology ... staff member's experiences within ... Scientology; (2) any knowledge possessed by the Scientology entities concerning those staff members ...; and (3) the terms and conditions of the settlements themselves. Peace has reigned since the time the interested parties entered into the settlements, all parties having exercised good faith in carrying out the terms of the settlement, including the obligations of confidentiality. [Original emphasis.]

(1297) In his sworn declaration, attorney Heller testified:

> I was personally involved in the settlements which are referred to in these moving papers which transpired some two and one-half years ago. . . . a "universal settlement" was ultimately entered into between the numerous parties. The universal settlement provided for non-disclosure of all facts underlying the litigation as well as non-disclosure of the terms of the settlements themselves. **The non-disclosure obligations were a key part of the settlement agreements insisted upon by all parties involved.** [Original emphasis.]

(1301-02)

4. Scientology's Complaint Against The IRS

On August 12, 1991, Scientology filed a complaint styled Church of Scientology International v. Xanthos, et al., in United States District Court, Central District of California, No. 91-4301-SVW(Tx). (1307-47) Therein, Scientology stated:

> The infiltration of [Scientology] was planned as an undercover operation by the LA CID along with former [Scientology] member Gerald Armstrong, who planned to seed [Scientology] files with forged documents which the IRS could then seize in a raid. The CID actually planned to assist Armstrong in taking over the [Scientology] hierarchy which would then turn over all [Scientology] documents to the IRS for their investigation.

(1320)

5. The Aznaran Litigation

On or about August 26, 1991, Scientology filed its Supplemental Memorandum in Support of Defendants' Motion to Dismiss Complaint with Prejudice in Aznaran v. Church of Scientology of California, et al. United States District Court, Central District of California, No. CV-88-1786-JMI(Ex). (1349-59) Therein, a Scientology attorney stated that in 1984 Armstrong was

> "plotting against ... Scientology ... and seeking out staff members who would be willing to assist him in overthrowing [Scientology] leadership. [Scientology] obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On November 30, 1984, Armstrong met with one Michael Rinder, an individual whom Armstrong thought to be one of his "agents" (but who in reality was loyal to [Scientology]). In the conversation, recorded with written permission from law enforcement, Armstrong stated the following in response to questions by Mr. Rinder as to whether they had to have actual evidence of wrongdoing to make allegations in Court against [Scientology's] leadership . . .
>
> (Ex. E, Declaration of Lynn R. Farney, ¶ 6.) With such a criminal attitude, Armstrong fits perfectly into Yanny's game plan for the Aznaran case."

(1353-54)

Armstrong was cleared by the Los Angeles District Attorney after a thorough - and Scientology generated - investigation. (1576-87)

G. Armstrong's Post Settlement Breaches

Scientology's position at the hearing below was that Armstrong violated paragraphs 7-G and 7-H of the settlement

agreement. (81-82) The violations were predicated upon the facts that Armstrong had worked for two days in the office of Joseph A. Yanny and had executed two declarations to be filed in the Aznaran case (122-23; 128; 136-38), had later executed a declaration on Yanny's behalf that was filed in Religious Technology Center v. Yanny, LASC No. BC 033035, (124-34), and had worked as a paralegal for Ford Greene in the Aznaran case (143-45; 159-64; 169) in which Armstrong filed another declaration on the Aznarans' behalf. (147-57; RT 5/27/92 at 47)

LEGAL ARGUMENT

II. THE INJUNCTION SHOULD BE DISSOLVED

A. STANDARD OF REVIEW

1. Abuse Of Discretion

> "'[T]rial courts should evaluate two interrelated factors when deciding whether or not to issue a preliminary injunction. The first is the likelihood that the plaintiff will prevail on the merits at trial. The second is the interim harm that plaintiff is likely to sustain if the injunction were denied as compared to the harm that the defendant is likely to suffer if the preliminary injunction were issued. [Citations.]' (IT Corp v. County of Imperial (1983) 35 Cal.3d 63, 69-70.) 'On appeal, the question becomes whether the trial court abused its discretion in ruling on *both* factors.' (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286-87.)"

Ketchens v. Reiner (1987) 194 Cal.App.3d 470, 474.

Just as when a claim involves a facial attack on the constitutionality of an ordinance enforced by an injunction, the reviewing court's consideration of whether the trial court abused its discretion as to the likelihood of the plaintiff's prevailing on the merits can invoke a determination of the constitutionality of the contractual provisions injunctively enforced. Id.

"The action of the state courts and of judicial officers in their official capacities is to be regarded as action of the State within the meaning of the Fourteenth Amendment." Shelley v. Kraemer (1918) 334 U.S. 1, 13. Included within the scope of state action is that which abrogates First Amendment rights. Id.

at 17.

Indeed, the appellate court can proceed to determine the merits of a facial constitutional attack without analyzing whether the trial court abused its discretion under the traditional two-part test. Cohen, supra, 40 Cal.3d at 287; Palos Verdes Shores Mobile Estates, Ltd. v. City of Los Angeles (1983) 142 Cal.App.3d 362, 368; Ortiz v. Woods (1982) 129 Cal.App.3d 672, 676; North Coast Coalition v. Woods (1980) 110 Cal.App.3d 800, 804-05. As Justice Ashby has explained:

> Occasionally, however, the likelihood of prevailing on the merits depends upon a question of pure law rather than upon evidence to be introduced at a subsequent full trial . . . If such a question of pure law is presented, it can sometimes be determinative over the other factor, for example, when the defendant shows that the plaintiff's interpretation is wrong as a matter of law and thus the plaintiff has no possibility of success on the merits.

Bullock v. City & County of San Francisco (1990) 221 Cal.App.3d 1072, 1094.

As will be seen below, based upon the facts set forth above, the case at bar can be resolved in this court on its merits.

2. The Constitutionality Of The Contractual Terms Enforced By Injunction Is Susceptible Of De Novo Review

The interpretation of a written document is a question of law, not of fact. In the absence of conflicting evidence, a reviewing court must independently interpret the written instrument. Parsons v. Bristol Development Co. (1965) 62 Cal.2d 861, 866. Thus, the interpretation of a written instrument presents a question of law to be decided de novo by an appellate court. Broffman v. Newman (1989) 213 Cal.App.3d 252, 257.

> "Even where extrinsic evidence was offered in the trial court, a reviewing court is not bound by the trial court's findings if the extrinsic evidence is not in conflict, is not substantial, or is inconsistent with the only interpretation to which the instrument is reasonably susceptible."

Okun v. Morton (1988) 203 Cal.App.3d 805; SCLC v. Al Malaikah

Auditorium Co. (1991) 230 Cal.App.3d 207, 219.

Since, below, Armstrong did not contest his actions which Scientology claimed were breaches of the settlement agreement, and since Scientology did not contest the truth of Armstrong's characterizations of its actions or those of Armstrong's former counsel, Michael Flynn, there is no conflicting evidence. Thus, this case is susceptible of de novo review.

B. **The Preliminary Injunction**

Judge Sohigian ordered the preliminary injunction as follows:

> Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:
>
> Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.
>
> The court does not intend by the foregoing to prohibit defendant Armstrong from : (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order." (1715)

III. THE ISSUANCE OF AN INJUNCTION IS AN UNCONSTITUTIONAL PRIOR RESTRAINT WHICH IS PREDICATED UPON THE SUPPRESSION OF THE CONTENT OF ARMSTRONG'S SPEECH

A. Enforcement By Injunction Violates Armstrong's First Amendment Rights

The First Amendment right to free speech is applicable to the states through the Fourteenth Amendment. Gitlow v. New York (1925) 268 U.S. 652, 666. The U.S. Supreme Court has stated that "Prior restraints on speech and publication are the least tolerable infringement on First Amendment rights." Nebraska Press Association v. Stuart (1976) 427 U.S. 539, 559. Thus, "The loss of First Amendment freedoms, for even minimal periods of time, unquestionably constitutes irreparable injury." Elrod v. Burns (1976) 427 U.S. 347, 373-74, 49 L.Ed.2d 547; C.B.S., Inc. v. U.S. District Court (9th Cir. 1984) 729 F.2d 1174, 1177. An injury is irreparable only if it cannot be undone through monetary remedies. Cate v. Oldham (11th Cir. 1983) 707 F.2d 1176, 1189. "Under our constitutional system prior restraints, if permissible at all, are permissible only in the most extraordinary of circumstances." C.B.S., 729 F.2d at 1183. Therefore, prior restraint on expression comes with a "heavy presumption" against constitutional validity. Organization For A Better Austin v. Keefe (1971) 402 U.S. 415, 419. In addition, the Supreme Court's "decisions involving associational freedoms establish that the right of association is a 'basic constitutional freedom' [citation] that is 'closely allied to freedom of speech and a right which, like free speech, lies at the foundation of a free society.'" Buckley v. Valeo (1976) 424 U.S. 1, 25.

The effect of the injunction issued below is to prevent Armstrong both from freely speaking with the class of people who have been injured and harmed by Scientology, as well as associating with them. Under the same principles employed by Judge Sohigian a rape victim could be enjoined from associating and communicating with other rape victims because she signed a

gag agreement with her attacker. It makes no sense that a criminal organization [8]/ can buy the silence of its victims and then use the power of the judiciary to enforce it.

> Even where individuals have entered into express agreements not to disclose certain information, either by consent agreement [citation]; or by an employment contract and secrecy oath [citation], the courts have held that judicial orders enforcing such agreements are prior restraints implicating First Amendment rights.

In Re Halkin (D.C. Cir. 1979) 598 F.2d 176, 190.

Professor Melville B. Nimmer, in Freedom of Speech: A Treatise on the First Amendment (1984) put the value of freedom of speech and thought as follows:

> But it is not just the search for political truth for which freedom of speech is a necessary condition. The search for all forms of "truth," which is to say the search for all aspects of knowledge and the formulation of enlightened opinion on all subjects is dependent upon open channels of communication. Unless one is exposed to all the data on a given subject it is not possible to make an informed judgement as to which "facts" and which views deserve to be accepted. If any governmental body, be it a legislative body, a censorship board, the police department or a court of law, decides that **the public should not have access to some of the data on any given topic because the communication of such data will prove injurious in some manner, to that extent the public's ability to make an informed judgement on such topic is crippled by a distortion of the data before it.**

M.B. Nimmer, Freedom of Speech: A Treatise on the First Amendment (1984) § 1.02[A] p. 1-7.

It is precisely such a distortion as identified by Professor Nimmer that the injunction has engendered by the enforcement of the settlement agreement. Ironically, the trial court realized that the injunction dealt with the suppression of the content of Armstrong's speech.

[8] See, United States v. Heldt (1981) 668 F.2d 1238, 1247, cert. denied (1982) 102 S.Ct. 1971; and Appendix pp. 492-93, 738-40, 996-97, 1000-01, 1045-46.

. . . The information that's being suppressed in this case, however, is information about extremely blame-worthy behavior of the plaintiff which nobody owns; it is information having to do with the behavior of a high degree of offensiveness and behavior which is meritorious in the extreme.

It involves abusing people who are weak. It involves taking advantage of people who for one reason or another get themselves enmeshed in this extremist view in a way that makes them unable to resist it apparently. It involves using techniques of coercion.

(1700)

Judge Sohigian recognized, moveover, that in addition to being malevolent, Scientology also acts dishonestly:

There appears to be in the history of their behavior a very, very substantial deviation between their conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior. They're just way off in a different firmament . . . They're the kind of -- it's the kind of behavior which makes you sort of be sure you cut the deck and be sure you've counted all the cards. If you're having a friendly poker game you'd make sure to count all the chips before you dealt any cards.

(1701)

The injunction at issue prohibits Armstrong from exercising his right to speak on the basis of content, that is, unless Armstrong is subpoenaed, he may not speak on the subject of Scientology or L. Ron Hubbard. Such content control is, however, anathema to our constitutional scheme. It allows an organization which abuses "people who are weak" by the employment of "techniques of coercion" to silence one of the most effective and knowledgeable individuals able to articulate how Scientology affects individuals "in a way that makes them unable to resist it apparently."

[A]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, or its content. [Citations.] To permit the continued building of our politics and culture, and to assure self-fulfillment for each individual, our people are guaranteed the right to express any thought, free from

> government censorship. The essence of this forbidden censorship is content control. Any restriction of expressive activity because of its content would completely undercut the 'profound national commitment to the principle that debate on public issues should be uninhibited, robust and wide-open. [Citation.]

Police Department v. Mosley (1972) 408 U.S. 92, 96.

The injunction enforcing Scientology's settlement provisions is the most blatant form of content control. In light of the evidence before the trial court, it is clear that the public has a substantial interest in learning the truth about Scientology from Gerald Armstrong.

Indeed, in the litigation in America concerning Russell Miller's book, Bare-Faced Messiah (1987 Penguin Books) [9]/ Judge Leval wrote:

> Hubbard is unquestionably a figure of legitimate public concern. As the founder of a religion drawing vast numbers of adherents, as the author of instructive books which have sold millions of copies, and as a figure who at times in his life sought a high degree of publicity and at other times sought seclusion and secrecy, he is a subject of great public interest. If it is arguable (which I do not judge)

[9] Not only was Bare-Faced Messiah the litigation in which the Long Affidavits were filed concerning Armstrong (1506-70), the preface of the book was dedicated almost entirely to Armstrong who is quoted as saying:

> "I realized I had been drawn into Scientology by a web of lies, by Machiavellian mental control techniques and by fear. The betrayal of trust began with Hubbard's lies about himself. His life was a continuing pattern of fraudulent business practices, tax evasion, flight from creditors and hiding from the law. He was a mixture of Adolf Hitler, Charlie Chaplin and Baron Munchausen. In short, he was a con man."

Bare-Faced Messiah, at pp. 5-6. This man is now silenced by an injunction which allows Scientology to say what it wants when it wants regarding him in all its litigations while he can only respond if subpoenaed to testify, or face contempt and possible jailing. (The court is requested to take judicial notice of the fact that an OSC re Contempt is currently set for hearing below on February 16, 1993.)

that his career and the Scientology religion have been advanced through deception, this is certainly a subject appropriate for critical exploration.

New Era Publications International v. Henry Holt and Company, Inc. (1988 S.D.N.Y.) 695 F.Supp. 1493, 1506.

B. Enforcement By Injunction Violates The Public's First Amendment Rights

The First Amendment values at issue are not limited to Armstrong. They include the American public as well.

> The freedom of speech and of the press, which are secured by the First Amendment against abridgment by the United States, are among the personal rights and liberties which are secured to all persons by the Fourteenth Amendment by a state. [¶] The safeguarding of these rights to the ends that men may speak as they think on matters vital to them and that falsehoods may be exposed through the process of education and discussion is essential to free government. Those who won our independence had confidence in the power of free and fearless reasoning and communication of ideas to discover and spread political and economic truth. Noxious doctrines in those fields may be refuted and their evil averted by the courageous exercise of the right of free discussion. Abridgment of freedom of speech and of the press, however, impairs those opportunities for public education that are essential to the power of correcting error through the processes of popular government.

Thornhill v. State of Alabama (1940) 310 U.S. 88, 95. (Emphasis added.)

Since the goal of the First Amendment is "producing an informed public capable of conducting its own affairs," Red Lion Broadcasting v. F.C.C. (1969) 395 U.S. 367, 392, "[t]he protection of the public requires not merely discussion, but information." New York Times v. Sullivan (1964) 376 U.S. 254, 272. Thus, the mark at which the First Amendment aims is "the widest possible dissemination of information from diverse and antagonistic sources." Associated Press v. United States 326 U.S. 1, 20.

Since the "First Amendment forbids the government to regulate speech in ways that favor some viewpoints or ideas at the expense of others," City Council v. Taxpayers for Vincent

(1984) 466 U.S. 789, 804, it seeks to "preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance the monopolization of that market, whether it be by Government itself or a private licensee." Red Lion, 395 U.S. at 390.

It is precisely what the First Amendment forbids that the trial court has done. Scientology is assisted in suppressing the truth known by Armstrong so that it can monopolize and inhibit the "marketplace of ideas" where the American public will judge it. By judicial enforcement of the settlement agreement, free speech through the medium of litigation, on issues critically affecting the public, through Gerald Armstrong, is censored. Thus, Scientology will continue to victimize "weak people" with relative impunity. This is intolerable.

Scientology apparently bought Armstrong's right to free speech, but it cannot get the judiciary to do the dirty work of imposing prior restraints for it so that it can violate the rights of others with a minimization of accountability for the consequences of its conduct.

> "If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the processes of education, the remedy to be applied is more speech, not enforced silence."

Whitney, 274 U.S. at 377. "Speech concerning public affairs is more than self-expression; it is the essence of self-government. It is the right of the public to receive suitable access to social, political, aesthetic, moral and other ideas and experiences." Ibid. The scope of the First Amendment "goes beyond protection of the press and the self-expression of individuals to prohibit government from limiting the stock of information from which the members of the public may draw." First National Bank of Boston v. Bellotti (1978) 435 U.S. 765, 783. The First Amendment protects the public constitutional interest in receiving information. Kleindienst v. Mandel (1972) 408 U.S. 753, 762-63.

> Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman.

Buckley, supra, 424 U.S. at 67.

The trial court's muting of Armstrong is the enforced deafening of the public. It is wrong to allow a criminal organization to buy the silence of its greatest critic, particularly in litigation. The content of speech of the nature at issue in this case cannot be sacrificed on the altar of settlement. Such would be an affront to democracy.

C. Enforcement By Injunction Violates Equal Protection Because It Creates Classes of Litigants Predicated Upon A Classification Based Upon Wealth

The trial court treats some speech on the subject of Scientology differently than others. Thus, this Court must address the injunction in terms of the Equal Protection Clause of the Fourteenth Amendment. The injunction affects Armstrong's right to freely speak through the medium of litigation. This is expressive conduct, speech. Moreover, it does so by a classification formulated in terms of the content of his speech, that is, the prohibition is tied to the subject of L. Ron Hubbard and Scientology. The injunction creates other classifications regarding Armstrong's right to testify. Under oath pursuant to subpoena he may, but by declaration he may not. The difference between the two is money. While depositions cost money, declarations don't.

The crucial question is whether there is an appropriate governmental interest that is suitably furthered by the differential treatment.

The central problem with the injunction is that it limits Armstrong's right to speak in adversary proceedings in terms of the content of his speech. Others may speak of Scientology through declarations; he may not. He may speak on all subjects through declarations, but not on Scientology. The operative

distinctions are (1) the subject of Scientology, and (2) the money required to purchase speech on that subject.

". . . [A]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its subject matter, or its content." Police Department v. Mosley, supra, 408 U.S. at 95.

Necessarily then, under both the Equal Protection Clause, as well as the First Amendment, the government may not select "which issues are worth discussing or debating" by enjoining Armstrong from discussing Scientology in litigation. Id. at 96. "There is an 'equality of status in the field of ideas,' and government must afford all points of view an equal opportunity to be heard." Ibid. A fortiori, this concept applies in litigation.

Even if the state may have a legitimate interest in controlling the content of Armstrong's speech, and it does not, its justifications must be "carefully scrutinized" and must be "tailored to serve a substantial governmental interest." Id. at 99. In view of the fundamental nature of the rights to free speech, and to association, governmental action which may have the effect of curtailing these freedoms is subject to a standard of review of strict scrutiny. Buckley, supra, 424 U.S. at 25.

The only possible governmental interest supporting the injunction is the settlement of lawsuits. This interest, however, does not carry the weight of Armstrong's speech interest, and the requirement that the only way litigants can have access thereto is to purchase it. The value of Armstrong's speech interest is in providing competent proof and information regarding a criminal organization. The state's interest in settling lawsuits, in this case, through an injunction has resulted in the enforcement of a criminal organization's purchase of the suppression of facts harmful to its antisocial goals.

Since the injunction describes impermissible speech, not in terms of time, place and manner, but in terms of the subject matter of Scientology, it "slips from the neutrality of time,

place and circumstance into a concern about content." Ibid. Allowing Armstrong's speech to take place only pursuant to subpoena - which costs money - does not sanitize the content-control imposed by the injunction.

> [T]he concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment, which was designed "to secure 'the widest possible dissemination of information from diverse and antagonistic sources,'" and "to assure unfettered exchange of ideas for the bringing about of political and social changes desired by the people." [citations.] The First Amendment's protection against governmental abridgment of free expression cannot properly be made to depend upon a person's financial ability to engage in [or prevent] public discussion.

Buckley, supra, 424 U.S. at 48-49.

Under the circumstances of this case, and in light of Scientology's criminal history, its wholesale violations of citizen's civil rights, and Armstrong's knowledge thereof, settlement does not outweigh censorship. There is a less restrictive alternative - completely free speech - whether by declaration, deposition or at trial.

The right to redress is applicable to the states through the Fourteenth Amendment. DeJonge v. Oregon (1937) 299 U.S. 353, 364-65. The injunction makes a distinction based upon class and wealth. The state is exempted from the requirement to compel Armstrong's testimony - he may speak voluntarily with agents of the state. Ordinary citizens who have been harmed by Scientology, and who do not have the benefit of the power of the state, must pay money in order to obtain what the state can obtain for free. In other words, to obtain Armstrong's knowledge of Scientology, the state is entitled to exercise the constitutional right to redress of grievances for free while an ordinary citizen is restricted from such constitutional exercise of rights based upon wealth because he or she must pay money in order to obtain Armstrong's testimony through expensive

deposition, at trial, or both. The government is not permitted to do this. Douglas v. California (1963) 372 U.S. 353; Harper v. Virginia Board of Education (1966) 383 U.S. 663; Boddie v. Connecticut (1971) 401 U.S. 371.

Indeed, of all the circumstances conceivable, it is a vicious irony that a criminal organization, masquerading in the guise of a religion, which "[i]n addition to violating and abusing its own members civil rights, . . . with its 'Fair Game' doctrine has harassed and abused those persons not in the Church whom it perceives as enemies," (474) can require people to pay for evidence which the government can have for free. As stated by Judge Geernaert when Scientology first attempted to enforce the settlement agreement,

> I know we like to settle cases. But we don't want to settle cases and, in effect, prostrate the court system into making an order which is not fair or in the public interest.

(606) The person who really pays for the injunction at issue is the litigant who doesn't have the financing to pay for testimony.

IV. THE INJUNCTION IS UNCONSTITUTIONALLY OVERBROAD AND IMPERMISSIBLY VAGUE AND THEREFORE VOID

> It is a basic principle of due process that an enactment is void for vagueness if its prohibitions are not clearly defined. Vague laws offend several important values. First, because we assume than man is free to steer between lawful and unlawful conduct, we insist that laws give the person of ordinary intelligence a reasonable opportunity to know what is prohibited, so that he may act accordingly. Vague laws may trap the innocent by not providing fair warning. Second, if arbitrary and discriminatory enforcement is to be prevented, laws must provide explicit standards for those who apply them. Second, if arbitrary and discriminatory enforcement is to be prevented, laws must provide explicit standards for those who apply them. A vague law impermissibly delegates basic policy matters to policemen, judges, and juries for resolution on an ad hoc and subjective basis, with attendant dangers of arbitrary and discriminatory application. Third, but related, where a vague statute "abut[s] upon sensitive areas of basic First Amendment freedoms," it "operates to inhibit the exercise of [those] freedoms." Uncertain meanings inevitably lead citizens to "steer

far wider of the unlawful zone . . . than if the boundaries of the forbidden areas were clearly marked."

Grayned v. City of Rockford (1972) 408 U.S. 104, 108-09. An additional reason which supports the void for vagueness rule is that such vagueness encourages erratic application and permits and encourages harsh and discriminatory enforcement, particularly against he who merits the displeasure of the authorities. Papachristou v. City of Jacksonville (1972) 405 U.S. 156, 162, 170; Colautti v. Franklin (1979) 439 U.S. 379, 390.

Judge Sohigian's injunction prohibits Armstrong, and Ford Greene, his attorney, from

> "Voluntarily assisting any person (not a governmental organ or entity) intending to make, . . . press . . . arbitrate, or . . . litigate a claim against ['all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel' (72)] regarding such claim or regarding pressing, arbitrating, or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against ['all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel' (72)]"

The above quoted order is vague and overbroad.

Ford Greene represents the plaintiffs in Aznaran v. Church of Scientology of California, United States District Court, Central District of California, Case No. CV-88-1786-JMI. (159) Were he to comply with the injunction, he would be precluded from representing the Aznarans because he also represents Armstrong. This is a chilling infringement on both the Aznarans' and Armstrong's constitutional right to counsel of their choice. It is an interference with Greene's right to practice law and with Greene's obligation to represent people - who cannot otherwise find counsel willing to face "Fair Game" - against Scientology.

Gerald Armstrong works for Ford Greene. Greene litigates against Scientology. Does Armstrong's employment by Greene

constitute assistance within the terms of the injunction? Is Armstrong in violation of the order when he works on non-Scientology cases, because in so helping Greene carry the load Greene can dedicate more time litigating against Scientology? Is Armstrong in violation of the injunction when he answers the phone and somebody suing Scientology is on the other end? If Armstrong orders office supplies some of which will be used in anti-Scientology litigation, is he in violation? If Armstrong handles outgoing Scientology-related mail? Opens an envelope? Licks a stamp? Goes to the post office? Assembles exhibits to a brief opposing a Scientology motion? Signs a proof of service?

How is Armstrong to ascertain what and who are "all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel[?]" (72)

Finally, Armstrong may engage "in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of" the injunction. (1715) Since the injunction is not clear about what Armstrong can or cannot do, however, this provision, too, is vague and unclear. It restricts his employment, and Greene's law practice.

V. THE INJUNCTION IS VOID SINCE IT IS TOO INDEFINITE AND UNCERTAIN TO BE SPECIFICALLY PERFORMED

Civil Code section 3390 (5) prohibits enforcement by specific performance of "an agreement, the terms of which are not sufficiently certain to make the precise act which is to be done clearly ascertainable." When one seeks to obtain specific performance, "a greater degree or amount of certainty is required in the terms of an agreement which is to be specifically executed in equity than is necessary in a contract which is the basis for an action at law for damages." Long Beach Drug Co. v. United Drug Co. (1939) 13 Cal.2d 158, 88 P.2d 698, 701. Thus, even though a contract might be valid, it is not necessarily

specifically enforceable, or the proper subject of a prohibitory injunction due to its intrinsic nature, or due to lack of definiteness. Ibid; Lind v. Baker (1941) 48 Cal.2d 234, 119 P.2d 806, 812; Hunter v. Superior Court (1939) 36 Cal.App.2d 100, 97 P.2d 492, 498.

Even though the trial court rewrote the contract provisions found at 7-G and 7-H of the settlement agreement (81-82), for the reasons discussed above the provisions of the injunction are fraught with uncertainty and therefore not susceptible of specific performance. Thus, there are no "contractual terms which are sufficiently definite to enable the court to know what it is to enforce." Tamarind Lithography Workshop v. Sanders (1983) 143 Cal.App.3d 571, 575; Henderson v. Fisher (1965) 236 Cal.App.2d 468, 477.

The provisions of the injunction are fatally uncertain.

VI. SPECIFIC PERFORMANCE DOES NOT LIE INASMUCH AS IT WOULD REQUIRE PROTRACTED SUPERVISION AND DIRECTION OF THE COURT.

A contract which requires a continuing series of acts and demands cooperation between the parties for successful performance of those acts is not subject to specific performance. Thayler, 255 Cal.App.2d at 303.

> Courts of equity will not decree the specific performance of contracts which, by their terms, stipulate of a succession of acts whose performance cannot be consummated by one transaction inasmuch as such continuing performance requires protracted supervision and direction.

Id. at 255 Cal.App.2d at 304; Whipple Quarry Co. v. L.C. Smith Co. (1952) 114 Cal.App.2d 214, 249 P.2d 854, 855; Lind, 119 P.2d at 813; Hunter, 97 P.2d at 498.

In addition to being overbroad, vague and uncertain, the injunction would require constant supervision to enforce. The court would have to be at the parties' elbow making determinations as to when anything which related to Scientology was sufficiently attenuated therefrom to allow Armstrong to work on it in the course of his employment, or deciding when someone

or something was or was not adverse to, or aligned against Scientology. It is an invitation for Scientology to ensconce itself in Greene's law office. It is impossible for the Court to decipher the ambiguities inherent in the injunction. But even if it could be rationally construed, the injunction could never be enforced.

VII. SINCE THERE IS NO MUTUALITY OF REMEDY, SPECIFIC PERFORMANCE WILL NOT LIE

In bilateral contracts, such as the agreement herein, mutuality of obligation and remedy is necessary because of mutual promises. The doctrine requires that the promises on each side must be binding obligations in order to be consideration for each other. Mattei v. Hooper (1958) 51 Cal.2d 119, 122, 330 P.2d 625; Larwin-Southern Calif. v. JGB Inv. Co. (1979) 101 Cal.App.3d 606, 637, 162 Cal.Rptr. 52. In order for the agreement to be obligatory on either party, it must be mutual and reciprocal in its obligations. Harper v. Goldschmidt (1909) 156 Cal. 245, 104 P. 451.

Paragraphs 4-A and 4-B of the agreement prohibit Armstrong from litigating Scientology's complaint against him on appeal while allowing Scientology to litigate the matter in the appellate courts to the extent it desired. (75-76) Paragraph 7-D prohibits Armstrong from speaking to others about Scientology, but does not prohibit Scientology from talking to others about Armstrong. (77-79) Paragraph 7-E requires Armstrong to deliver documents about Scientology to Scientology, but does not require Scientology to deliver to Armstrong documents it possessed concerning him. (79-81) Paragraph 7-G prohibits Armstrong from assisting or cooperating with persons adverse to, or aligned against Scientology, but did not prohibit Scientology from assisting or cooperating with persons who were aligned against or adverse to Armstrong, to wit, the Long Affidavits. Paragraph 7-H prohibits Armstrong from testifying about Scientology, but did not prohibit Scientology from testifying about Armstrong, to wit,

the Long Affidavits.

There are two provisions in the agreement that are mutual. One is that Armstrong would dismiss his Cross-Complaint in consideration for a payment of money. The other was in Paragraph 7-I (82) which stated that neither party would say anything about the other in future litigation. It was Armstrong's understanding and intent at the time of the settlement that he would honor the silence and confidentiality provisions of the settlement agreement, and that Scientology would do likewise. (672) As to the former, Scientology obtained what it paid for, and as to the latter, Scientology has consistently breached it. Thus, as to the provisions that Scientology seeks to specifically enforce, specific performance can not be had because there is an absence of mutuality.

VIII. ARMSTRONG HAD NO FREEDOM OF CONSENT

A. Duress

Sections 1569 (1) and (3) of the California Civil Code defines duress as the (1) "[u]nlawful confinement of the person of the party, . . ." or (2) "[c]onfinement of such person, lawful in form, but fraudulently obtained, or fraudulently made unjustly harassing or oppressive." The cases, however, have established much broader definitions, and consequently, the language of the decisions can rarely be reconciled with the statutory language. For example, in Harlan v. Gladding, McBean & Co. (1907) 7 Cal.App. 49, duress means a condition of mind produced by improper external pressure or influence that practically destroys the free will of a person and causes him to do an act or enter into a contract not of his own volition. In Sistrom v. Anderson (1942) 51 Cal.App.2d 213, duress is effectuated by an unlawful threat which overcomes the will of the person threatened and induces him to do an act that he is not bound to do and would not otherwise have done. Steffen v. Refrigeration Discount Corp. (1949) 91 Cal.App.2d 494, states that the test of duress, at its harshest, is what would have influenced the conduct of a

reasonable man. Indeed, the modern tendency is to find duress wherever one, by the unlawful act of another, is induced to make a contract under circumstances which deprive him of the exercise of free will. See Keithley v. Civil Service Board (1970) 11 Cal.App.3d 443; Balling v. Finch (1962) 203 Cal.App.2d 413; Gross v. Needham (1960) 184 Cal.App.2d 446; Lewis v. Fahn (1952) 113 Cal.App.2d 95; Sistrom, 51 Cal.App.2d at 213. Under this standard, duress is to be tested, not by the nature of the threat, but by the state of mind induced in the victim. Balling, 203 Cal.App.2d at 413; Lewis, 113 Cal.App.2d at 95.

In the case at bar, the agreement was made under duress and is, thus, voidable. Specifically, in Paragraph 11-A of the agreement: "The parties to this Agreement acknowledge . . . [t]hat all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will." (84) However, Armstrong testified that he had endured many years of psychological duress and brainwashing from Scientology. Moreover, he described the duress and undue influence to which he was subjected as soon as he had arrived in Los Angeles and was pressured into signing the agreement. (995-1053; see pp. 10-12, supra.)

Accordingly, duress exists to void the agreement. Indeed, Judge Geernaert noted:

> "So my belief is Judge Breckenridge, being a very careful judge, follows about the same practice and if he had been presented with that whole agreement and if he had been asked to order its performance, he would have dug his feet in because that is one of the -- I have seen -- I can't say -- I'll say one of the most ambiguous, one-sided agreements I have ever read. And I would not have ordered the enforcement of hardly any of the terms had I been asked to, even on the threat that, okay, the case is not settled.

(606)

B. Armstrong's Attorney Had A Conflict Of Interest With Both Armstrong And A Number Of The Other Settling Parties

Rule 5-102 of the Rules of Professional Conduct states:

> (A) A member of the State Bar shall not accept professional employment without first disclosing his relation, if any, with the adverse party, and his interest, if any in the subject matter of the employment. A member of the State Bar who accepts employment under this rule shall first obtain the client's written consent to such employment.
>
> (B) A member of the State Bar shall not represent conflicting interest, except with the written consent of all parties concerned.

In the Armstrong settlement, Armstrong was represented by attorney Michael Flynn. Despite an order to do so (1248-49, 1258), the agreement was never placed before the court. (582) Flynn also represented a number of other Scientologists.

Furthermore, Flynn did not put the second settlement agreement (111-16) before the court. In that second settlement agreement the parties acknowledged that they had "been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the length and degree of harassment." (114)

The second secret settlement agreement was entered into by the settling plaintiffs, including Armstrong, and their attorney, Flynn. The egregious conflicts between the plaintiffs and Flynn, and between plaintiffs themselves, are readily apparent from the face of the document. Notwithstanding these facts, the document has only one fleeting reference to consultation with outside counsel. (114) All of these people, including their attorney, had been subjected to the most outrageous deprivations, harassment and intimidation. Each should have been separately represented in the settlement. None were.

Indeed, concerning Armstrong's settlement, attorney Flynn even had a separate side-deal with the Scientology lawyers. If

as a result of the settlement term that Armstrong would not oppose any appeal of the Breckenridge Decision, there was a reversal, damages on retrial against Armstrong would be limited to $25,001 payment for which Scientology would indemnify Flynn. This was never disclosed to Armstrong. Additionally, Flynn told Armstrong that he would represent Armstrong in the future against Scientology, if necessary.

The global settlement, and side-agreements, included Flynn, Armstrong's own attorney who had interests diametrically opposed to those of Armstrong and interests diametrically opposed to those of the other settling former Scientologists. Finally, all of the settling parties had interests that were diametrically opposed as among themselves. Each of them, including Flynn, should have been separately represented. Objectively, none of these settling former Scientologists were capable of representing themselves in this situation. They each required legal counsel with undivided loyalty. What they got, however, was legal counsel who had conflicts between each of his clients and between himself and his clients. No one disputes the Herculean efforts of Michael Flynn against Scientology, but Scientology eventually destroyed Flynn's will to fight. However well he had represented these clients prior to the settlement, he breached all applicable ethical rules in representing himself and all of the settling parties in this global agreement. It was a mammoth conflict of interest for Michael Flynn to represent each of the settling parties in a settlement in which he himself was the largest beneficiary.

Clearly, Armstrong entered the settlement without the benefit of objective counsel. (752-56)

C. **Fraud**

1. **Actual Fraud Exists**

The elements of actual fraud, whether in contract or in tort, have been stated as follows: There must be (1) a false representation or concealment of a material fact (or, in some

cases, an opinion) susceptible of knowledge, (2) made with knowledge of its falsity or without sufficient knowledge on the subject to warrant a representation, (3) with the intent to induce the person to whom it is made to act upon it; and such person must (4) act in reliance upon the representation (5) to his damage. Harding v. Robinson (1917) 175 Cal. 534, 538; Wolfe v. Severns (1930) 109 Cal.App. 476, 485; 1 Witkin, Summary of California Law § 393.

The act constituting actual fraud may be concealment or "any other act fitted to deceive." Specifically, "[t]he suppression of that which is true, by one having knowledge or belief of the fact" is actual fraud. Civil Code § 1572 (3); Williamson & Vollmer Engineering v. Sequoia Ins. Co. (1976) 64 Cal.App.3d 261, 273; 1 Witkin, Summary of California Law, § 398. The Restatement points out that concealment is an affirmative act, equivalent to a misrepresentation (Comment a), and that it usually consists either in actively hiding something from the other party, or preventing him making an investigation that would have disclosed the true facts (Comment b).

The purpose of the catch-all statement, "any other act" is suggested in Wells v. Zenz (1927) 83 Cal.App. 137.

> "Fraud is a generic term which embraces all the multifarious means which human ingenuity can devise and are resorted to by one individual to get an advantage over another. No definite and invariable rule can be laid down as a general proposition defining fraud, and it includes all surprise, trick, cunning, dissembling, and unfair way by which another is deceived. The statutes of California expressly provide that . . . any other act fitted to deceive is actual fraud."

In this case, actual fraud in both the form of concealment and active misrepresentation exist.

At the time of the settlement Flynn told Armstrong "that in the event that anything happened he would still be there to defend me." (768) The truth, however, was that Flynn had an agreement with Scientology never to represent anyone against the

organization again. [10]/ Flynn even refused to give Armstrong a declaration to use in his own litigation. (767-68)

None of the well over a dozen plaintiffs involved were told that the agreement was not reciprocal, i.e., that Scientology could say whatever it wanted about the signing plaintiffs following the settlement, but that the plaintiffs, including Armstrong, must remain silent. (91, 667-68) "It was [his] understanding and intention at the time of the settlement that [he] would honor the silence and confidentiality conditions of the settlement agreement, and that the organization had agreed to do likewise." (672) Similarly, Flynn failed to disclose to Armstrong the existence of the side agreement for indemnity. (771, 1253, 1255)

Mr. Flynn knew all these material facts yet concealed them from the signing plaintiffs, including Armstrong, with the intent to induce the plaintiffs, including Armstrong, to sign the agreement. In turn, Armstrong, and the other plaintiffs signed the agreements in reliance upon Mr. Flynn's representations, to their detriment. Accordingly, actual fraud exists to void the agreement.

2. **Constructive Fraud Exists**

Constructive fraud consists of (1) "any breach of duty which, without an actually fraudulent intent, gains an advantage to the person in fault, or any one claiming under him, by misleading another to his prejudice, or to the prejudice of anyone claiming under him;" (2) "any such act or omission as the law specially declares to be fraudulent, without respect to actual fraud." Civil Code § 1573. Where a confidential or

[10] This is a violation of Rule of Professional Conduct 1-500 (A) which states: "A member shall not be a party to or participate in offering or making an agreement, whether in connection with the settlement of a lawsuit or otherwise, if the agreement restricts the right of a member to practice law. "

fiduciary relationship exists between the parties, the failure of the person in whom confidence is placed to disclose material facts within his knowledge may constitute constructive fraud within the meaning of Civil Code § 1573 (1). Ford v. Shearson Lehman American Express (1986) 180 Cal.App.3d 1011, 1020; Main v. Merrill Lynch (1977) 67 Cal.App.3d 19, 32; McFate v. Bank of America (1932) 125 Cal.App. 683, 686.

In the present case, constructive fraud also exists. Flynn, who had a fiduciary relationship as their attorney with the signing plaintiffs, including Armstrong, failed to disclose material facts within his knowledge to the signing plaintiffs prior to their signing the agreement. The failure of Flynn, in whom confidence was placed, to disclose such material facts constitutes constructive fraud, thus, voiding the agreement.

IX. TO THE EXTENT THAT THE INJUNCTION IS IN RESTRAINT OF TRADE, IT IS INVALID.

Apparently, Armstrong is enjoined from working for Ford Greene, but only on Scientology cases. Such is an unreasonable restraint of trade.

Business and Professions Code section 16600 provides that, subject to exceptions contained in its chapter, "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void." The Restatement 2d, Contracts § 186 states: "(1) A promise is unenforceable on grounds of public policy if it is unreasonably in restraint of trade. (2) A promise is in restraint of trade if its performance would limit competition in any business or restrict the promisor in the exercise of a gainful occupation."

Specifically, Armstrong is employed by Ford Greene. The injunction restricts Armstrong's acts by working for Mr. Greene.

Although covenants not to compete may be enforceable if for a limited time period, such a covenant in perpetuity is not enforceable. Thus, the lifetime prohibition of Armstrong working

as a paralegal is void.

X. SCIENTOLOGY HAS NOT MET ITS BURDEN WHICH WOULD ENTITLE IT TO INJUNCTIVE RELIEF BECAUSE IT IS NOT ENTITLED TO THE EQUITABLE REMEDY OF SPECIFIC PERFORMANCE

Applying Civil Code section 3391 to the circumstances of this case, Armstrong cannot be compelled to specifically perform the agreement. [11]/

An injunction cannot be granted to prevent the breach of a contract, the performance of which would not be specifically enforced. Thayer Plymouth Center, Inc. v. Chrysler Motors Corp. (1967) 255 Cal.App.2d 300, 304; Eichholtz v. Nicoll (1944) 66 Cal.App.2d 67, 151 P.2d 664, 666. Thus, it is rote that "equity will not lend its aid to enforce contracts which upon their face are so manifestly harsh and oppressive as to shock the conscience; it must be affirmatively shown that such contracts are fair and just." Jacklich v. Baer (1943) 57 Cal.App.2d 684, 135 P.2d 179, 183. The rationale for this rule is grounded in a common sense recognition of the rules of fair play.

> It is said . . . that the doctrine that he who seeks equity must do equity means that the party asking the aid of the court must stand in a conscientious relation to his

[11] In full, Civil Code section 3391 states: "WHAT PARTIES CANNOT BE COMPELLED TO PERFORM. Specific performance cannot be enforced against a party to a contract in any of the following cases:

1. If he has not received an adequate consideration for the contract;
2. If it is not, as to him, just and reasonable;
3. If his assent was obtained by the misrepresentation, concealment, circumvention, or unfair practices of any party to whom performance would become due under the contract, or by any promise of such party which has not been substantially fulfilled; or
4. If his assent was given under the influence of mistake, misapprehension, or surprise, except that where the contract provides for compensation in the case of mistake, a mistake within the scope of such provision may be compensated for, and the contract specifically enforced in other respects, if proper to be so enforced.

adversary; that the transaction from which his claim arises must be fair and just and that the relief itself must not be harsh and oppressive upon the defendant. And that specific performance will always be refused when a contract itself is unfair, one-sided, unconscionable, or affected by any other such inequitable feature, and when specific performance would be oppressive upon the defendant, or would prevent the enjoyment of his own rights, or would in any other manner work injustice.

Id, 135 P.2d at 184; Chrittenden v. Hansen (1943) 59 Cal.App.2d 56, 138 P.2d 37, 38; Quan v. Kraseman (1948) 84 Cal.App.2d 550, 191 P.2d 16, 17; Eichholtz, supra.

Scientology cannot prove the fairness and justness of the agreement it seeks to enforce. There is nothing fair about Scientology being able to abuse its right to Free Speech by slandering Armstrong, and then being able to seek a contempt citation and have Armstrong thrown in jail for simply exercising his First Amendment right to tell the truth in the face of Scientology's lies about him.

XI. THE SETTLEMENT AGREEMENT SEEKS TO SUPPRESS EVIDENCE OF JUDICIALLY CREDITABLE FACTS WHICH DISCREDIT THE SCIENTOLOGY ORGANIZATION; SUCH VIOLATES PUBLIC POLICY AND RENDERS THE CONTRACT VOID.

What Scientology is seeking to do is to remove Armstrong, and all others like him, [12]/ from playing any role in the truth-seeking process, whether such process be found in competition in the public marketplace of ideas, or in the truth-seeking forum provided by the judiciary. By eliminating those who are knowledgeable of its history and practices, Scientology seeks, quite literally, to shape public opinion and skew judicial decision-making by writing its own script. Thus, with no regard

[12] For example, Scientology unsuccessfully attempted to enforce identical settlement agreements against the Aznarans. See 190-445 for motion for preliminary injunction. For settlement agreements, see 303-316. For an example of the type of information in the Aznaran case that Scientology sought to suppress, see Declaration of Vicki Aznaran at 417-430. It is remarkably similar to Armstrong's Declarations.

for the truth, Scientology may rest secure in the knowledge that it has purchased the silence of witnesses adverse to it. [13]/

The consideration of a contract must be lawful. Civil Code section 1607. If any part of the consideration is unlawful the entire contract is void. Civil Code section 1608. Consideration is unlawful if it is contrary to an express provision of law, contrary to the policy of express law, though not expressly prohibited, or otherwise contrary to good morals. Civil Code section 1667. The object of the contract is the thing which it is agreed, on the party receiving the consideration, to do or not to do. Civil Code section 1595. The object must be lawful when the contract is made. Civil Code section 1596. Whether or not a contract in a given case is contrary to public policy is a question of law to be determined from the circumstances of each particular case. Bovard v. American Horse Enterprises (1988) 201 Cal.App.3d 832, 838; Kallen v. Delug (1984) 157 Cal.App.3d 940, 951; Russell v. Soldinger (1976) 59 Cal.App.3d 633, 642.

It is a fundamental rule of construction of contracts that all applicable laws in existence when an agreement is made, which laws the parties are presumed to know and have in mind, necessarily enter into the contract and form a part of it without any stipulation to that effect, as if they were expressly referred to and incorporated in the agreement. People v. Hadley

[13] Such is precisely the type of agreement that current Senate Bill No. 711 seeks to outlaw. As amended January 27, 1992, Senate Bill No. 711 states:

> Notwithstanding any other provision of law, as a matter of public policy, in actions based on fraud, or based upon personal injury . . . no part of any confidentiality agreement, settlement agreement, stipulated agreement, or protective order to keep from public disclosure information that is evidence of fraud shall be entered or enforceable upon settlement or conclusion of any litigation or dispute concerning the fraud . . .

(1495)

(1967) 257 Cal.App.2d Supp. 871, 881.

"Agreements to suppress evidence have long been held void as against public policy, both in California and in most common law jurisdictions." Williamson v. Superior Court (1978) 21 Cal.3d 829, 836-37. In Brown v. Freese (1938) 28 Cal.App.2d 608, the California Court of Appeal adopted section 557 of the Restatement of the Law of Contracts prohibiting as illegal those agreements which sought to suppress the disclosure of discreditable facts. The court stated:

> A bargain that has for its consideration the nondisclosure of discreditable facts . . . is illegal. . . . In many cases falling within the rule stated in the section the bargain is illegal whether or not the threats go so far as to bring the case within the definition of duress. In some cases, moreover, disclosure may be proper or even a duty, and the offer to pay for nondisclosure may be voluntarily made. Nevertheless the bargain is illegal. Moreover, even **though the offer to pay for nondisclosure is voluntarily made and though there is no duty to make disclosure or propriety in doing so, a bargain to pay for nondisclosure is illegal.** [Emphasis added.]

Brown 28 Cal.App.2d at 618.

In Allen v. Jordanos' Inc. (1975) 52 Cal.App.3d 160, 125 Cal.Rptr. 31, the court did not allow a breach of contract action to be litigated because it involved a contract that was void for illegality. In Allen, plaintiff filed a complaint for breach of contract which he subsequently amended five times. Plaintiff, a union member, was entitled by his collective bargaining agreement to have a fair and impartial arbitration to determine the truth or falsity of the allegations against him of theft and dishonesty. The allegations of the amended complaints stated that there had been an agreement between the parties whereby defendant laid off plaintiff, defendant's employee, and allowed plaintiff to receive unemployment benefits and union benefits. "Defendants also agreed that they would not communicate to third persons, including prospective employers, that plaintiff was discharged or resigned for dishonesty, theft, a bad employment attitude and

that defendants would not state they would not rehire plaintiff." Id. at 163. Plaintiff alleged there had been a breach in that defendants had communicated to numerous persons, including potential employers and the Department of Human Resources and Development, that plaintiff was dishonest and guilty of theft and had resigned for fear of being discharged for those reasons, that plaintiff had a bad attitude and that defendants would not rehire him. Plaintiff alleged that as a result of the breach he suffered a loss of unemployment benefits, union benefits and earnings. The court held that the plaintiff had bargained for an act that was illegal by definition. It stated:

> The nondisclosure was not a minor or indirect part of the contract, but a major and substantial consideration of the agreement. A bargain which includes as part of its consideration nondisclosure of discreditable facts is illegal. (See Brown v. Freese, 28 Cal.App.2d 608, 618 [83 P.2d 82.].) It has long been hornbook law that consideration which is void for illegality is no consideration at all. [Citation.]

Id. 52 Cal.App.3d at 166.

The object of a contract must be lawful. Civil Code sections 1550, 1596. If the contract has a single object, and that object is unlawful, the entire contract is void. Civil Code section 1598.

Civil Code § 1668 states:

> All contracts which have for their object, directly or indirectly, to exempt anyone from responsibility for his own fraud, or willful injury to the person or property of another, or violation of law, whether willful or negligent, are against the policy of the law.

Since an agreement to suppress evidence or to conceal a witness is illegal, Witkin, § 611 at 550; Penal Code §§ 136, 136.1, and 138; Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 196 Cal.Rptr. 871; Tappan v. Albany Brewing Co. (1889) 80 Cal. 570, 571-572, and the combined effect of the "global settlement" has been to remove the availability as witnesses of

most former high-ranking Scientologists, [14]/ such can "lead to subtle but deliberate attempts to suppress relevant evidence." Williamson, 21 Cal.3d at 838.

Thus, where a contract is made either (1) to achieve an illegal purpose, or (2) by means of consideration that is not legal, the contract itself is void. Witkin, Summary of California Law (9th Ed. 1987) Vol. 1, Contracts, § 441 at 396.

There are two reasons for the rule prohibiting judicial enforcement, by any court, of illegal contracts.

> [T]he courts will not enforce an illegal bargain or lend their assistance to a party who seeks compensation for an illegal act [because] . . . Knowing that they will receive no help form the courts . . . the parties are less likely to enter into an illegal agreement in the first place.

Lewis & Queen, 48 Cal.2d at 149 [308 P.2d at 719].

> This rule is not generally applied to secure justice between parties who have made an illegal contract, but from regard for a higher interest - that of the public, whose welfare demands that certain transactions be discouraged. [Emphasis added.]

Owens v. Haslett (1950) 98 Cal.App.2d 829, 221 P.2d 252, 254.

Illegal contracts are matters which implicate public policy. Public policy means "anything which tends to undermine that sense of security for individual rights, whether of personal liberty or private property, which any citizen ought to feel is against public policy." Ibid. Therefore, "[a] contract made contrary to public policy may not serve as the foundation of any action, either in law or in equity, [Citation] and the parties will be left where they are found when they come to court for relief. [Citation.]" Tiedje v. Aluminum Paper Milling Co. (1956) 46 Cal.2d 450, 454.

It is well settled that agreements against public

[14] See also Appendix pp. 111-16 for enumeration of those individuals settling as part of the package. Note that most were mentioned as witnesses in Judge Breckenridge's opinion (473).

> policy and sound morals will not be enforced by the courts. It is a general rule that all agreements relating to proceedings in court which involve anything inconsistent with [the] full and impartial course of justice therein are void, though not open to the actual charge of corruption.

Eggleston v. Pantages (1918) 103 Wash. 458, 175 P. 34, 36; Maryland C. Co. v. Fidelity & Cas. Co. of N.Y. 71 Cal.App. 492 Fong v. Miller (1951) 105 Cal.App.2d 411, 414. "In other words, where the illegal consideration goes to the whole of the promise, the entire contract is illegal." Witkin, § 429 at 386; Morey v. Paladini (1922) 187 Cal. 727, 738 ["The desire and intention of the parties [to violate public policy] entered so fundamentally into the inception and consideration of the transaction as to render the terms of the contract nonseverable, and it is wholly void."].

Professor Witkin states:

> It is obviously an obstruction of justice to conceal, suppress, falsify or destroy evidence which is relevant and known to be sought or desired for use in a judicial proceeding or an investigation by law officers.

Witkin, California Criminal Law (2d.Ed. 1988) Vol. 2, § 1132, at p. 1311. Such constitutes a crime against public justice because it is designed to intimidate witnesses and prevent them from giving testimony in violation of Penal Code section 136.1.

> The general rule controlling in cases of this character is that where a statute prohibits or attaches a penalty to the doing of an act, the act is void . . . The imposition by statute of a penalty implies a prohibition of the act to which the penalty is attached, and a contract founded upon such act is void.

Smith v. Bach 183 Cal. 259, 262, quoted in Severance v. Knight-Counihan Co. (1947) 29 Cal.2d 561, 177 P.2d 4, 8.

If a court is not able to distinguish between the lawful part of an agreement, and the unlawful part, "the illegality taints the entire contract, and the entire transaction is illegal and unenforceable. Keene v. Harling (1964) 61 Cal.2d 318, 321; Mailand v. Burckle (1978) 20 Cal.3d 367, 384. Assuming arguendo,

that the entire agreement is not unenforceable, then the Court must save the good part, and sever and discard the rest. Civil Code section 1599 tells us what to do with a contract which is partially void, and has at least one distinct lawful object, and at least distinct unlawful object. Section 1599 states that the contract is void as to the unlawful objects, and valid as to the lawful objects. [15]/

Armstrong proposes that contractual provisions 4-A, 4-B, 7-E, 7-G, 7-H, 7-I, 10, and 18-D are not lawful for the reasons discussed above. Those provisions share the common objective of suppressing credible, judicially tested information which discredits Scientology. In contrast, Paragraphs 1, 2 and 4 have the distinct objective of settling Gerald Armstrong's Cross-Complaint in Armstrong I. Thus, as to the former, the contract is void, while as to the later it is valid.

It has long been the law in California that

> When the transaction is of such a nature that the good part of the consideration can be separated from that which is bad, the Courts will make the distinction, for the . . . law . . . [divides] according to common reason; and having made that void that is against law, lets the rest stand. [Citation]. Thus, the rule relating to severability of partially illegal contracts is that a contract is severable if the court can, consistent with the intent of the parties, reasonably relate the illegal consideration on one side to some specified of determinable portion of the consideration on the other side.

Keene v. Harling (1964) 61 Cal.2d 318, 320-21; Brown v. Freese, supra.

[15] This principle is recognized in Paragraph 16 of the settlement agreement which states in "the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision thereof." (85)

CONCLUSION

The injunction should be dissolved. The facts are clearly before the court. There are no disputes. Armstrong does not contest the facts which Scientology characterizes as violations. Scientology has not contested the facts preceding, during and following the execution of the settlement agreement. This one-sided agreement is an affront to fair play. Armstrong never contracted to sacrifice his First Amendment rights so that Scientology could spread lies about him - dead agent him - and the only thing he could do to fight back was to be enjoined and ultimately jailed. Armstrong's history of his battle with Scientology belies such an intent.

The preliminary injunction should be dissolved, and the provisions designed to suppress evidence and obstruct justice severed and stricken from the contract.

DATED: January 18, 1993

By: _____
FORD GREENE and PAUL MORANTZ
Attorneys for Defendant
GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: APPELLANT'S OPENING BRIEF

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

SEE SERVICE LIST

[X] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[X] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: January 19, 1993



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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 41 HON. RAYMOND CARDENAS, JUDGE

RELIGIOUS TECHNOLOGY CENTER, A CALIFORNIA NON-PROFIT RELIGIOUS CORPORATION; CHURCH OF SCIENTOLOGY INTERNATIONAL, A CALIFORNIA NON-PROFIT RELIGIOUS CORPORATION; AND CHURCH OF SCIENTOLOGY OF CALIFORNIA, A CALIFORNIA NON-PROFIT RELIGIOUS CORPORATION, PLAINTIFFS, VS. JOSEPH A. YANNY, AN INDIVIDUAL; JOSEPH A. YANNY, A PROFESSIONAL LAW CORPORATION; AND DOES 1 THROUGH 25, INCLUSIVE, DEFENDANTS.	SUPERIOR COURT CASE NO. BC 033035

REPORTER'S TRANSCRIPT

AUGUST 6, 1991

APPEARANCES:

(AS NOTED ON NEXT PAGE.)

COPY

LINDA STALEY, CSR NO. 3359
OFFICIAL REPORTER

CETERA, NOTHING TO DO WITH ADVERSE REPRESENTATION OF SCIENTOLOGY. THEY DO NOT HAVE THE RIGHT --

THE COURT: MR. YANNY, I STATED THAT THE TRO WAS TOO BROAD IN THAT IT IS THE COURT'S INTENT NOT TO PRECLUDE ASSOCIATION, DISCUSSION, AND SO FORTH, AND I THOUGHT THAT WOULD SEND THE MESSAGE THAT IF THERE WAS AN ORDER, IT WOULD BE A LOT MORE NARROW THAN THE TRO THAT WAS SIGNED.

MR. YANNY: YOUR HONOR, BUT BASED ON THE STRENGTH OF WHAT THEY'VE SHOWN; NOTHING?

AND WHAT YOU'RE GOING TO DO BY GIVING THESE, THE MOST LITIGIOUS PEOPLE IN THE CITY OF LOS ANGELES, MAYBE THE STATE OF CALIFORNIA, AND MAYBE THE UNITED STATES, YOU'RE GOING TO GIVE THEM AN ORDER BY WHICH THEY ARE THEN GOING TO HARASS EVERY ONE OF MY EMPLOYEES LIKE YOU SAW THEM DO BEFORE, EVERY ONE OF MY CLIENTS, LIKE YOU SAW THEM DO BEFORE.

OKAY. AND THAT, BASED ON THE STRENGTH OF WHAT THEY SHOWED, YOU KNOW, IT IS -- I HATE TO SAY THIS -- THAT IS INEQUITABLE -- THAT IS INEQUITABLE -- AND ALL OF THIS BECAUSE I DID ONE THING; I HIRED GERRY ARMSTRONG AS A PARALEGAL TO HELP ME ON THE AZNARAN CASE?

THE COURT: NO. ALL BECAUSE --

MR. YANNY: I TOLD HIM ABOUT COPYRIGHT NOTICES AND I MADE AN APPEARANCE IN A FEDERAL CASE AND THAT THE JUDGE DISQUALIFIED ME.

I DON'T THINK AN ORDER IS APPROPRIATE. THIS CASE SHOULD HAVE BEEN THROWN OUT WHEN YOU SAW THE COMPLAINT.

DECLARATION OF JOSEPH A. YANNY

I, Joseph A. Yanny, make the following declarations from personal knowledge and could competently testify as set forth below if called upon to do so.

1. Declarant is a member in good standing of the California State Bar.

2. I am not an attorney in fact or of record in any case between Gerald Armstrong and any Church of Scientology entity, nor have I been consulted in that regard by either Scientology or Mr. Armstrong with respect to his litigation. I am informed that Mr. Armstrong has done quite well without me. I am informed that the court of appeals has recently issued an opinion on July 29, 1991 in that regard.

3. Mr. Armstrong has consulted me on literary matters involving questions of intellectual property. I decline to disclose the substance of that consultation further, but I will note, however, for the record, that that consultation had nothing at all to do with Scientology and had no relationship at all to anything I ever worked on for Scientology.

4. I have considered employing and have employed Mr. Armstrong as a paralegal from time-to-time in the past. I believe it would be inappropriate, if not illegal, to require that I not employ ex-Scientologists. Mr. Armstrong's views on Scientology should not cost him employment with my firm or elsewhere.

5. In addition, Mr. Armstrong is a potential witness in litigation I am contemplating against Scientology and in the Aznaran case. For example, Scientology has recently libeled me by

EXHIBIT G

addition t ding ten with Gerald Arm ong r filed an appearance in the Aznaran case. I sought an extension of time in which to respond to summary judgment motions first from opposing counsel and then from the court. I suggested to Mr. Quinn that they continue the summary judgment hearings until such time as the Aznarans' representation could be straightened out. Scientology declined that most reasonable suggestion. Accordingly, I filed motions to obtain extensions of time. Ultimately, the court revoked the substitution of attorney and reinstated Ford Greene as counsel of record. Presumably, Mr. Greene is responding to pending motions.

22. My appearance in the Aznaran case was so transitory that I was personally never in possession of the file. Under the circumstances, I never had an opportunity to do any work on the merits of the case. No discovery or trial preparation was done during my brief tenure as counsel of record.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

Executed on July 31, 1991, at Los Angeles, California.

JOSEPH A. YANNY

DECLARATION OF VICKI AZNARAN

I, VICKI AZNARAN, hereby declare as follows:

1. I am over 18 years of age and a resident of the State of Texas. I have personal knowledge of the matters set forth herein and, if called upon to do so, could and would competently testify thereto.

2. From 1972 until 1987, I was a member of various Church of Scientology ("Church") entities. During that time I held a number of important positions in the corporate and ecclesiastical hierarchy of the Church, including President of Religious Technology Center ("RTC") In March of 1987, my husband Richard Aznaran and I left our positions with the Church and returned home to Texas from California.

3. On April 1, 1988, Richard and I filed a lawsuit against several Church entities and individuals in the United States District Court for the Central District of California. We have now settled this case through direct negotiations with Church representatives. This declaration details how we were driven to settlement by the failure of our counsel to adequately litigate our lawsuit and how we were forced to negotiate settlement directly with representatives of the defendants due to our counsels' failure to properly represent our interests when defendants earlier had expressed interests in settlement.

4. Our lawsuit was filed on April 1, 1988 by the firm of Cummins & White. The suit was finalized and prepared in a rush in an attempt to get it filed before it was barred by the statute of limitations.

5. Additionally, despite the fact that I then testified in

deposition about the inaccuracies in the complaint, my counsel did not amend my complaint to correct them. These uncorrected falsehoods placed us at a serious disadvantage as they enabled the defendants to seize upon these points to give the impression that we were changing our testimony and deliberately stating falsehoods.

6. Another defect in the complaint was the amount of money requested, $70,000,000. Seventy million was a highly inflated figure and in fact impaired efforts to settle as the amount was so high. Shortly after the suit was filed, I pointed the high amount out to counsel and was told that it could be adjusted later. It never was.

7. Another liability to the successful prosecution of our lawsuit was the fact that Cummins & White was disqualified from representing us in our case on September 6, 1988.

8. Not being versed in the law, my husband and I relied upon the representations of Barry Van Sickle and Cummins & White that Cummins & White could properly serve as our counsel. This was wrong. Nevertheless Cummins & White expended considerable time and effort to defend their position in this regard, an action which I now understand to have been fought more for their own self-interest than for the advance of my lawsuit. In September 1988 the District Court Judge disqualified Cummins & White as our counsel, specifically finding that Cummins & White was an extension of Yanny's continuing and improper involvement in our case.

9. Because Cummins & White was disqualified, we were without an attorney in our case for several months and our case

was threatened with dismissal. We were forced to expend considerable effort to find new counsel and get him up to speed while the Church continued to litigate our case. To our detriment, and due to the urgency of having to find counsel in an already ongoing case, we were forced to obtain counsel without the necessary resources to adequately litigate the case.

10. Barry Van Sickle's attempts to settle were very weak and ineffective. In June 1991 Mr. Van Sickle reported to us that he had an offer of $1,000,000 to settle our case and one other. The offered amount for our case was $200,000 which we rejected as being too low. It was a starting point but despite our efforts to get Mr. Van Sickle to do so, he never succeeded in getting a counter offer to us. Further, Mr. Van Sickle told us that we would have to fire our existing attorney, Ford Greene, as the Church supposedly refused to deal with him in settling the case. As a result we did fire Mr. Greene. Then when Mr. Van Sickle from Cummins & White failed to complete the settlement we were again left without an attorney for a time as Cummins & White had been ordered not to represent us in the case as covered earlier in this declaration.

11. After being without counsel for several months, and finding ourselves at a serious disadvantage in complex litigation with the Church defendants, we re-hired Ford Greene to be our counsel, based on an order from the Court.

12. It has been our experience that Greene seriously neglected our lawsuit and systematically worsened its posture until it became virtually impossible to salvage.

13. From approximately February 1989 onward Ford Greene was

attorney of record in our lawsuit against the Church. During that time he did virtually no offensive work on the case, and did nothing of substance to advance our litigation position. Before our case was ordered transferred to Dallas, Texas in August of 1992, Greene had only sent out two interrogatories and had did not even take one deposition despite having obtained two extensions of the discovery cut-off. Following the transfer order, Mr. Greene did nothing whatsoever to actually get the case files sent to Dallas, Texas. Meanwhile, no activity has taken place in our case.

14. While representing us, Greene was consistently late in filing papers and in several instances placed our case in serious jeopardy by failing to file needed papers. For example, in December 1990 he neglected to oppose a major summary judgment motion which the defendants had filed. He also failed to timely file several mandatory pre-trial papers which could have interfered with our ability to effectively put on our case at trial.

15. It was reported to me by Barry Van Sickle that Mr. Green smoked marijuana when he was picked up at the airport by Rick Wynne, a Cummins & White attorney and driven to the office of Cummins & White.

16. Furthermore, Greene did not communicate with us regarding activities in our lawsuit and often could not be contacted for extended periods of time. It is my belief that at least one of these periods of non-communication was due to the fact that he had entered a drug rehabilitation program without even informing us that he intended to do so. Ford Greene did

nothing effective to settle our case. In fact, he told me he was worried about settling our case as my husband and I would no longer be witnesses for Gerry Armstrong who is a client of Ford Greene and involved in Scientology related litigation. Additionally, he attempted to bill us for work which he did not do.

17. In fact, Ford Greene solicited us to pay a monthly stipend to him for Gerry Armstrong so he could work on our case. Armstrong was precluded by an earlier agreement from working on Church litigation.

18. Furthermore, like Cummins & White, Greene was aware of the errors in the complaint and never prepared an amended complaint. In fact, he "developed" the case so that the defendants were able to accuse my husband and myself of engineering several contradictory versions of the underlying facts of the complaint. Thus Greene's "management" of the complaint set us up so that we would be faced at trial with seemingly contradictory positions which would undermine our credibility.

19. Greene's inactivity, neglect, mismanagement, and failure to communicate with us endangered our lawsuit. In our view, Mr. Greene's failure to prosecute this case is tantamount to malpractice. Based upon this history, we developed the conviction that Greene would be unable to handle the trial. While we would have preferred to get rid of Greene completely, we hesitated to do so because we knew that it would be extremely difficult for new counsel to rapidly learn the facts of the case on the eve of the trial.

20. In an attempt to resolve this dilemma, we hired John Elstead to be our attorney with Ford Greene. Elstead was recommended to us by Margaret Singer, a psychologist whom we intended to use at trial. Like Greene, Elstead has also neglected to prosecute or advance our case.

21. My husband and I have always been willing to settle our lawsuit and, in fact, considered it likely that the case would end through settlement rather than trial. In the summer of 1991 John Elstead contacted counsel for the defendants to see if there was an interest in settlement. Rather than presenting an acceptable demand, indicative of a serious interest in settlement, Elstead demanded $3,300,000. This was rejected immediately by defendants who did not consider it a serious opening demand and did not treat it as a basis for negotiations.

22. In the late summer of 1992, after the case had been ordered transferred to Dallas, Elstead met with the General Counsel for the Church of Scientology International to discuss settlement. He got nowhere.

23. Seeing that the viability of our lawsuit had been seriously endangered through the neglect and malfeasance of our attorneys, my husband and I felt compelled to take matters into our own hands to resolve this litigation in our best interests. In January of 1994 I spoke directly with Mike Rinder, a senior executive of the Church of Scientology International concerning settling the lawsuit. In the course of discussing settlement with him in this and subsequent conversations, I came to realize that my attorneys had blocked possible settlement for several years. Consistently they failed to convey our true interest in

negotiating a satisfactory end to the litigation. Shortly thereafter, Graham Berry approached us to see if he could negotiate a settlement on our behalf, by falsely claiming he had been contacted by the church making settlement overtures. Desperate to resolve this matter, I told him to go ahead. Instead of making a serious offers, on February 16, 1994 Berry demanded $3,600,000 for the settlement of our case along with various threats that he was not authorized make. Again this was not a serious attempt to settle.

24. Finally I communicated directly with a representative of one of the Church of Scientology defendant organizations. It was only when my attorneys were no longer need that both sides were able to discover that our positions were not that far apart and settlement talks were feasible.

25. In sum, it has been my observation that the counsel which my husband and I have employed have not only prolonged the litigation of our lawsuit, but have mishandled the development of the case for trial, and interfered with the process of settlement. By their actions described above, my counsel appear to have consistently put their own interests above those of myself and my husband and have failed to adequately carry out their responsibilities as members of the Bar. I am convinced we would not have been able to resolve our case had we not done so directly with the Church.

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I declare under the penalty of perjury under the laws of the United States of America, and under the laws of each individual state thereof, including the laws of the states of California and Texas, that the foregoing is true and correct.

Executed this 17th day of May, 1994 in Dallas, Texas.

VICKI J. AZNARAN

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Ford Greene, Esquire
California State Bar No. 107601
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Telephone: (415) 258-0360

Attorney for Defendant
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	No. BC 052 395 **ARMSTRONG'S RESPONSES TO CSI'S REQUESTS FOR ADMISSION**

TO ALL INTERESTED PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PROPOUNDING PARTY: Plaintiff Church of Scientology International

RESPONDING PARTY: Defendant Gerald Armstrong

SET NO: One.

REQUEST FOR ADMISSION NO. 1

During 1990 and 1991, you voluntarily provided aid and/or advice to Bent Corydon and/or Corydon's attorney, Toby Plevin, in the case of Bent Corydon v. Church of Scientology International, et al., Los Angeles Superior Court Case No. C 694401.

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RESPONSE TO REQUEST FOR ADMISSION NO. 1

Armstrong objects to this request for admission on the grounds that it is vague and ambiguous as to phrase "aid and/or advice." If the phrase is given the widest of meanings imaginable, or an unqualified meaning, then Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 2

In May, 1992, you voluntarily provided a declaration to Gary M. Bright and/or Jerold Fagelbaum.

RESPONSE TO REQUEST FOR ADMISSION NO. 2

Admitted.

REQUEST FOR ADMISSION NO. 3

Gary M. Bright and Jerold Fagelbaum are attorneys for defendants and counter-claimants David Mayo, Church of the New Civilization, John Nelson, Harvey Haber, Vivien Zegal and DeDe Reisdorf in the case of Religious Technology Center, et al. V. Robin Scott, et al., United States District Court for the Central District of California, Case No. CV 85-711 JMI (Bx).

RESPONSE TO REQUEST FOR ADMISSION NO. 3

Armstrong lacks sufficient information to be able to admit of deny this request. Armstrong objects to this request, moreover, on the ground that it seeks information which is more easily available to Scientology than Armstrong. Scientology knows who the parties and attorneys of record are in its various litigations, including the case cited in its request. All that notwithstanding, and lacking no information to the contrary, Armstrong submits an unqualified admission.

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REQUEST FOR ADMISSION NO. 4

You worked as a paralegal for attorney Ford Greene since August, 1991.

RESPONSE TO REQUEST FOR ADMISSION NO. 4

Armstrong objects to this request for admission on the grounds that it is vague and ambiguous as to to the term "paralegal." Nevertheless, omitting that term, Armstrong admits that he has worked for Ford Greene since August, 1991, and is interalia, an unqualified self-admitted paralegal. With that understanding Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 5

You attended the convention of the Cult Awareness Network in November, 1992.

RESPONSE TO REQUEST FOR ADMISSION NO. 5

Admitted.

REQUEST FOR ADMISSION NO. 6

In November, 1992, you provided a videotaped interview to Jerry Whitfield.

RESPONSE TO REQUEST FOR ADMISSION NO. 6

Admitted.

REQUEST FOR ADMISSION NO. 7

In June, 1993 you gave an interview to one or more reporters from Newsweek magazine.

RESPONSE TO REQUEST FOR ADMISSION NO. 7

Armstrong admits that he gave an interview to a reporter from Newsweek magazine, but lacks sufficient information to be able to know if said interview was in May or June of 1993. He has made a diligent search but has no confirming facts otherwise and either

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way.

REQUEST FOR ADMISSION NO. 8

In August, 1993, you gave an interview to one or more reporters from Entertainment Television.

RESPONSE TO REQUEST FOR ADMISSION NO. 8

Armstrong admits that he gave an interview to a reporter from Entertainment Television, but that said interview could have been in July of 1993. With that as an understanding, Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 9

In August, 1993, you provided a copy of a manuscript entitled "ONE HELL OF A STORY An Original Treatment for Motion Picture Purposes Created and Written by Gerald Armstrong to Entertainment Television.

RESPONSE TO REQUEST FOR ADMISSION NO. 9

Armstrong admits that he provided "One Hell of a Story" to Entertainment Television, but that said provision could have been in July of 1993. With that as an understanding, Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 10

In June, 1993, you helped form a Colorado corporation called "Fight Against Coercive Tactics, Inc." (hereinafter, "FACTI").

RESPONSE TO REQUEST FOR ADMISSION NO. 10

Armstrong objects to this request for admission on the grounds that it is vague and ambiguous as to the terms "helped and form."

REQUEST FOR ADMISSION NO. 11

From June, 1993 until June, 1994 you were the President of

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FACTI.

RESPONSE TO REQUEST FOR ADMISSION NO. 11

Denied.

REQUEST FOR ADMISSION NO. 12

FACTI maintains and operates an electronic "library" in the form of a computer bulletin board which contains, inter alia, documents relating to plaintiff.

RESPONSE TO REQUEST FOR ADMISSION NO. 12

Armstrong lacks sufficient information to be able to admit or deny this request. Aside from the fact that Armstrong has no actual knowledge of anything Fight Against Coercive Tactics (Fact) does, lacking facts to the contrary, Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 13

You provided documents to FACTI with the intention that those documents would become a part of its electronic library.

RESPONSE TO REQUEST FOR ADMISSION NO. 13

With the understanding that Armstrong does not know of the existence of such a library, has never seen neither it nor one, and understanding that by "intention" is meant "hope," Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 14

In January, 1994, FACTI sent a mailing to hundreds of people requesting negative information about Scientology entities and related individuals "to assist ongoing litigation."

RESPONSE TO REQUEST FOR ADMISSION NO. 14

Armstrong lacks sufficient information to be able to admit or deny this request numerically. Armstrong objects to this request

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for admission on the grounds that it is vague and ambiguous as to the terms "negative information," entities" and "related individuals."

REQUEST FOR ADMISSION NO. 15

In February, 1994, you voluntarily provided a declaration to Graham Berry, Gordon Calhoun and/or Lewis, D'Amato, Brisbois & Bisgaard, attorneys for Uwe Geertz.

RESPONSE TO REQUEST FOR ADMISSION NO. 15

Admitted.

DATED: July 21, 1994

HUB LAW OFFICES

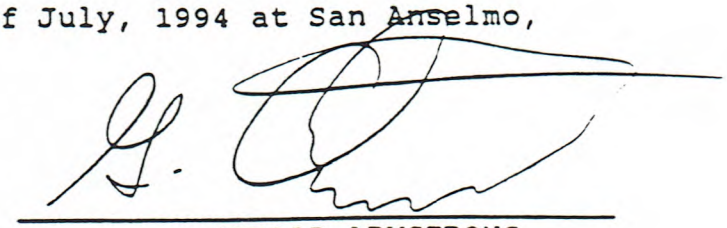
By: _____
FORD GREENE
Attorney for Defendant
GERALD ARMSTRONG

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ir Francis Drake Blvd.
Anselmo, CA 94960
(415) 258-0360

VERIFICATION

My name is Gerald Armstrong and as defendant in the above action have received for foregoing responses to CSI's requests for admission and as to the same hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 21st day of July, 1994 at San Anselmo, California.



GERALD ARMSTRONG

LAW OFFICES
d Greene, Esquire
ir Francis Drake Blvd.
Anselmo, CA 94960
(415) 258-0360

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: ARMSTRONG'S RESPONSES TO REQUEST FOR ADMISSION AND FORM INTEROGATORY

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

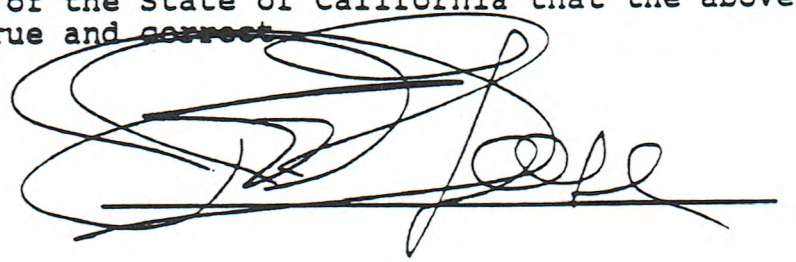
LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard, Suite 2000
Los Angeles, California 90028

[X] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[] (Personal Service) I caused such envelope to be delivered by hand to the offices of the addressee.

[X] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: July 21, 1994



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Attorney for Plaintiffs
VICKI J. AZNARAN and
RICHARD N. AZNARAN

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VICKI J. AZNARAN and RICHARD N. AZNARAN, Plaintiffs, vs. CHURCH OF SCIENTOLOGY OF CALIFORNIA, et al., Defendants. AND RELATED COUNTER CLAIM	No. CV-88-1786-JMI(Ex) **DECLARATION OF GERALD ARMSTRONG IN OPPOSITION TO MOTION TO EXCLUDE EXPERT TESTIMONY**

I, GERALD ARMSTRONG, declare:

1. I was a Scientologist from 1969 to 1981 and held many organizational positions during that period. I was also the defendant in an action entitled Church of Scientology vs. Armstrong, in Los Angeles Superior Court. Judge Breckenridge's opinion in that case was affirmed by the California Court of Appeal on July 29, 1991.

2. Throughout 1980 and 1981 I was L. Ron Hubbard's biographical researcher and archivist. During that period I read

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EXHIBIT N

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and studied his letter dated September 7, 1965 to the Federal Bureau of Investigation and I provided a copy of it to writer, Omar V. Garrison for his use in a biography of Hubbard. A true and correct copy thereof is attached hereto as Exhibit 1.

3. While I was a Scientologist I read and studied L. Ron Hubbard's Technical Bulletin of July 22, 1956. It was published in the 1970's in bound volumes of Hubbard's "technical" writings and has continued to be published in later volumes up to the present time. A true and correct copy is attached hereto as Exhibit 2.

Under penalty of perjury, pursuant to the laws of the United States I hereby declare that the foregoing is true and correct. Executed this 26th day of August, 1991, at San Anselmo, California.

GERALD ARMSTRONG

FORD GREENE, LEGAL
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EXHIBIT 1

- RON HUBBARD. D.T. P.M.

Box 242
Silver Spring, Md.
Sept. 7, 1955

TO THE FEDERAL BUREAU OF INVESTIGATION
Communist Activities

Gentlemen:

A series of sudden insanities and disturbances in Dianetic and Scientology groups reached seven last week on the West Coast.

In Atomic Energy's Richland, Washington a young boy who had never been treated with Dianetics or Scientology but whose father Verne McAdams is the local Scientology group leader in Richland suddenly and mysteriously became insane, so suddenly and so thoroughly that the head of the institution for insane in Richland, evidently of good security, suspects the use of LSD, the insanity producing drug so favored by the APA. Two of our ministers in that area at my request went further into the situation and by means we will not detail recovered from the boy information of which his family had been entirely ignorant. On instructions to find the "other psychiatrist" our ministers by this means located an unsuspected one in Atomic Energy's front yard, a man who had been the construction company doctor during the building of Richland and who had then turned psychiatrist and whose name strangely enough is Menkowski (sp?). The boy had evidently had some association with this man before this sudden onset.

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With this information not yet cool long distance from San Francisco Bay Area notified us of the sudden and inexplicable descent into insanity of one Wanda Collins. She is ravingly insane and yet was completely sane a day ago. Her people and our people cannot account for a missing nine hour period just before this onset. You should be intefested in this because Wanda Collins resigned from the Communist Party some time ago, foreswore it and tried to make amends with Scientology and would be a logical candidate for an LSD attack.

SEE REVERSE SIDE FOR ADD. DISSEMINATION

Concurrently with this in Phoenix, Arizona

20 SEP 1955

58 SEP 20

A-29

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our Mr. Edd Clark was suddenly arrested "for practising medicine without a license", and this is very odd because he is the first Dianeticist or Scientologist in five years of world wide operation to be so accused. He could not have been practising medicine because Dianetics and Scientology seek only to assist able people to improve their talents and have no interest in sickness or insanity. He was arrested and without any search warrant all his papers and letters were seized even down to blank typewriter paper and were carried away, a fact which places this matter quite solidly in the field of the F.B.I.. Mr. Clark is a half-blind deaf old man. He was once a chiropractor but has long since ceased to be one. He was told by the County Attorney that the County Attorney meant to "get to the bottom of this thing about Hubbard and Scientology."

The "bottom of the thing" can be found in "Who Knows and What" and "Who's Who in the East" in the local library or from bookstores which carry my books. My own life is about as hard to investigate as a white rock on a summer's day.

It is not uncommon in the past five years to have judges and attorneys mad-dogged at about what a terrible person I am and how foul is Scientology. Persons never named or available step in, spread violent tales and accusations and vanish. This mad-dogging has evidently been done at this County Attorney to prompt such a foolish action. This makes the third civil official in that area to go off half-cocked about Scientology. When it is all done and Scientology has been neatly ruined by the newspapers in the area and when all the charges have been quashed there is no one from whom any recompense can be drawn. "It was all a mistake"....

In 1950 the Dianetics Foundations were violently attacked and discredited. The 200 Foundation employees, when screened, yielded 35 Communist-connected persons. That done the commotion stopped. After three quiet years in the Phoenix area we forwarded to the Defense Department data on brain-washing. Instantly

we became subject of violence. [illegible] people were seized by psychiatrists in that area to date and to this day so far as I know are still being held, their sanity shattered.

After we informed the Defense Department about brain-washing technologies in our hands and offered them, we have been in a state of siege. Understand that we accuse the D.D. of nothing.

Psychiatrists as far north as Seattle have said they were "out to get every Scientologist." An Internal Revenue official has used those very words before witnesses and said he was going to get to the bottom of this thing in Phoenix. People in suspicious condition were sent from one place in Southern California to be "treated by Scientology" for insanity and yet we have no interest in treating anyone, especially the insane. Now two more people go suddenly and inexplicably insane in widely different places both the same way. All manner of defamatory rumors have been scattered around about me, questioning even my sanity which is fortunately a matter of good record with the Navy as by statement "having no psychotic or neurotic symptom whatsoever."

I have a wife and three little kids. I have a good many thousand people scattered around the world trying to help their fellow man and I am responsible for these people. I am trying to turn out some monographs on matters in my field of nuclear physics and psychology for submission to the government on the subject of alleviating some of the distress of radiation burns, a project I came east to complete. This lawless and brutal attack on Scientology now spreading evidently to three states will probably not end until a great deal of injustice and human suffering has occurred.

Would you please discover for me or for yourselves the exact names and whereabouts of the persons whose statements inflamed the County Attorney in Phoenix in arresting a half-blind old man and seizing all his books and papers. If we have those names and if we trace them back we will have someplace to start on this madness

which not re[illegible] into three sections. [illegible]
do this for us.

I am getting additional copies of the material which was offered to the Defense Department since that agency has not acknowledged or returned anything shipped to it about brain-washing and when I have these copies I will send one to you for this is the only starting place I know about for this outbreak and the matter, while far from conclusive at least tells me that something went astray which was dangerous in the wrong hands.

Could you please have your Phoenix office obtain the names of the people who defamed us to the County Attorney? Your Bay Area and Richland offices have already been apprised of the incidents in those areas.

L. Ron Hubbard

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EXHIBIT 2

HUBBARD COMMUNICATIONS OFFICE
217a Kensington High Street, London W.8

RUSH July 22nd, 1956

To U.S. ONLY Jules Lewis, Dick Steven, L. Ron Hubbard, Jnr.

To England ONLY Administration Secretary (Jack Parthouse)
Director of Processing (Ann Walker)
Director of Training (Diana Stephens)

Staff Auditors, Instructors and Auditors close to Operations only.

TECHNICAL BULLETIN OF 22 JULY 1956

I feel the urge to communicate to you the best news since 1950.

I have whipped the problems of the whole track and memory of the past and can resolve the worst cases we have ever had. That is a huge statement *but* I have solved and can untangle in an intensive the problems of the vacuum and havingness plus memory and health and have just done so. Hence the exuberance.

Also, other auditors can solve these in a case as well. NTBS has just cracked two six-year-standing Black Fives using some of this material and Herbie Parthouse has had considerable luck with solids.

We are now capable of solving Book One style cases to the extreme level of clear.

No wild burst of enthusiasm is here intended. I have to put the finishing touches on a lot of things and the process is still slow—25 to 75 hours. But I've now done it and seen it done to worse cases than any you've had. And that's fact!

Okay. It's not simple. It requires a minute understanding of Book One. It would take me 50 pages to explain all I've lately found about vacuums. You haven't seen the last of me or of study, but you will have seen the last of unsuccessful cases providing only that we have case and environment in which to audit them.

We can make home movie. (AND give a grin to those who kept standing around bleating, "Where are the cases?")

We know more about life now than life does—for a fact, since it was reacting, we can communicate about the reactions.

The process is concerned with "making it solid" combined with affects. It isn't easy. It is wonderfully complex and delicate. But it has been done. And it is being done.

Our cases gained but sometimes slumped. Why? Because an electronic vacuum reestimulated on the track after sessions, and robbed the case's havingness.

A vacuum isn't a hole. It's a collapsed bank. Every lifetime bank is collapsed into a vacuum.

The formula is—

1. Run pc on start-change and stop for hours until he is under auditor's control, in session and (often) exteriorized.
2. Then run him with commands "What are you looking at?" "Good." "Make it solid."

 He will eventually hit a vacuum. (He'd hit it faster on "Recall a can't have" but it's too fast.) Here's the tangle. The vacuum is a super-solid mass or an electric shock. This "drank up" bank electronically (traumatized him). The energy drank turned black. Hence black cases. (Does not apply only to black cases however.)
3. Run, interspersed with solids and "objective can't have" on the room, "Tell me an effect object (that drank bank) could *not* have on you," and "Tell me an effect you could have on object." Object may be electrodes or superwild plate or even a superwild gism.

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Caution, handle one vacuum at a time. These vacuums go back for [illegible] million years. They were the original brainwash the Thetans did to one another, then psychiatrists (on the whole track) did expertly (modern psychiatrists are *punks*, modern shock too feeble to do more than reactivate old vacuums).

Take the vacuum that comes up running solids, or even "Recall a can't have", whatever it is and solve it as above.

This is deliberate auditing. If you reactivate a vacuum too hard, the whole track groups on it.

Read Book One. Add vacuums instead of word groupers, use above and you'll probably get through to success. Nibs did and I had given him less than you have here. Of course, he's one of the best auditors in the business, so go easy. And Herbie Parthoens is no slouch.

CAUTIONARY

This is true—

1. We have created the *permanent* stable clear.
2. In creating him we have a homo novis in the full sense, not just an Operating Thetan.
3. We now know more than life. An oddity indeed!
4. We now know more about psychiatry than psychiatrists. We can brainwash faster than the Russians (20 secs to total amnesia against three years to slightly confused loyalty).
5. We can undo whatever psychiatrists do, even the tougher grade from away back. We can therefore undo a brainwash in 25 to 75 hours.
6. We can create something better than that outlined and promised in Book One.

BUT

1. We need to know more and be more accurate than ever before about the time track and auditing. I have not given a thousandth of what I know about this.
2. We have a new game but also new responsibilities amongst men.
3. This data in the wrong hands before we are fully prepared could ruin the Devil Eternally.
4. Because we know more than the Insanity Gang, we're not fighting them.
5. Because we can undo what we do, we must retain a fine moral sense, tougher by far than any of the past.
6. We can create better than in Book One now *only* if we know Book One and know our full subject.

AND WE DO NOT YET KNOW ALL THE SAFETY PRECAUTION TO BE USED.

I will be giving this data in full at the Games Congress, Shoreham Hotel, WASHINGTON, D.C., August 31st, to September 3rd, 1956.

The exact responses of this will be SLP 8 and will include the total picture of separating vacuums from bodies (which must still be done by the auditor, a formula I now have).

I have given you this data in this bulletin at this time because now I know I know and I want you to share in seeing the surge of vision which will be our future.

L. RON HUBBARD

P.S. (Actually, necessary to remark, it hasn't all been done before. If it had been, the guy who is saying it has would be clear!)

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[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coersion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.

Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong $800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]
[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: $800,000. $800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.